New Essays | VOLUME 4 | GREENWOOD

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Volume 4
1938-1939

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PAUL MATTICK

Former Editor, New Essays

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Introduction

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Living Marxism

AGAINST THE STREAM

Future of Unemployment

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Marxism and Psychology

REVIEWS

1

Fifteen Cents

International Council Correspondence

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LIVING MARXISM

Vol. IV. FEBRUARY 1938 No. 1

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INTERNATIONAL COUNCIL CORRESPONDENCE,

P. O. Box 5343, Chicago, Illinois.

This magazine consciously opposes all forms of sectarianism. The sectarian confuses the interest of his group, whether it is a party or a union, with the interest of the class. It is our purpose to discover the actual proletarian tendencies in their backward organizational and theoretical forms; to effect a discussion of them beyond the boundaries of their organizations and the current dogmatics; to facilitate their fusion into unified action; and thus to help them achieve real significance.

The unsigned articles express the views of the publishers.

Against the Stream

THIS magazine shall express the critical thoughts and the radical actions the workers of America will be compelled to engage in. We know the arguments against such an intention. We know that today there seems to be a strong objection if not a positive animosity against thinking and theory as such. This objection is not limited to the rulers of our society who are afraid of the revolutionary activity connected with critical thinking. On the part of the ruled we find the unconscious fear that theoretical thought would reveal as erroneous and superfluous their painfully acquired adaptation to reality.

This trend toward irrationalism—which is only the other side of a blind admiration for meaningless facts—is the expression of our present conditions of production. The economic development of our time emerges from a society of independent proprietors of the means of production who were in immediate competition with each other, to an organization of industrial and political cliques of leaders more and more excluding all "peaceful" forms of competition economically and politically, internationally and nationally. Instead of an authority masked by the fetishes of law and agreement, open force imposing willing obedience increasingly characterize the social and economic relations. Typical of this stage of society is the man who acknowledges everything that serves the established power. At the top is the one who is ready to strike and the one at the bottom will be kicked when he falls.

With the constriction of the circle of the real rulers, the possibility of the conscious production of ideologies sets in and the establishing of a double truth by which the **knowledge** is reserved for the insiders and the **version** is made up for the

people. Cynicism towards truth and thinking spreads. The individual, once over-rated and upholstered by bourgeois philosophy, becomes suspect. His "freedom of thought" independence is ended. He is no longer supposed to think and is replaced by the illusions of the various "organic" collectivisms. The rhetoric "we" echoes only creeds fabricated by the bureaucracies dominating economy and state. Bourgeois equality becomes a negative equality before the power which does not recognize any differentiations. The emphasized equal opportunity to develop according to one's abilities degenerates into an equal submission in which the abilities of all are sacrificed. The more the spotlight of propaganda lights up the leaders above, the less can we pierce through the uniform and ever-growing darkness engulfing those who are "led".

In this d a r k n e s s the preservation and reproduction of society are realized. Here, in the process of production, the workers experience the discrepancy between a labor which supplies them with the mightiest means of controlling nature and the renewal of an outworn social organization under new labels which makes them more miserable and helpless than before. The workers experience that unemployment, economic crises, preparation for war, terroristic governments—all the present conditions which harass the mass of producers-are due not to a lack of technical possibilities, but to the social organization under which production functions. The workers therefore perceive daily the need for a **rational** solution of these contradictions. Because of their situation in production, they feel and recognize more than any other social group, the senselessness and emptiness of the official beliefs delivered to them. The conditions under which they are compelled to work imply that a meaningful human existence cannot be built on collectivistic phrases and empty creeds but only on an adequate and transparent relationship between the producers and society. The rationality of this relationship which is the task of a new social order, can alone give meaning to their work.

But the situation of the workers in this society by no means guarantees their **conscious grasping** of these implications. On the surface the world also appears to the proletarians just as the propaganda apparatus paints it. Those workers who have reached a conscious understanding of the needs of their situation must thus be able to pose their real interests against society as a whole, and even against the apparent ideologies of their own fellow workers. If they permitted these ideologies of the masses to determine their thoughts they would themselves become slavishly dependent on the existing set-up. Their criticism must be aggressive not only against the conscious apologists of the monopolistic disorder but also against the diverting conformistic or utopian tendencies of the rank and file.

Our next purpose will therefore be to gain the attention of those workers who are resolved to swim against the stream. We know the stream still flows with the Lewises, Greens and the leaders of a so-called People's Front and will merge in the grand parade of the next war for the defence of the business interests of our own and other exploiters, for the defence of all possible interests but the interest of the working class. All over this country are thousands of workers, toiling on products for a war they despise, acting in organizations in which they really don't believe or as functionaries of unions they hate. They all see the coming of a second edition of American "war-socialism". These workers feel the need for a critical orientation about the conditions of their class. We want to meet their needs and in this sense conceive the function of the magazine.

Out of the interrelationships between the **r e a d e r s** and writers of this magazine — and as many readers as possible should also write for it—there should develop an organization of workers who act consciously in accordance with their class interests. We do not presuppose any traditional form for this organization. It should develop its structure solely according to the needs of the fight under the totally changing conditions. Neither do we presuppose a ready-made program. The unity of the organization growing around the magazine will not consist in an agreement on some programatic sentences—which under present transitional conditions, would mean only that the doors would be closed, or in other words, that another sect would be created—but in the attainment of a common critical level related to certain common forms of action.

Only a prime willingness to face reality, the readiness to see and to learn, can secure success for our purpose. This does not imply that the essential experiences of the past movements have lost their value. They contain elements whose significance surpasses their hitherto achieved results. But they must be applied under new conditions. They must be developed further, practically and theoretically, under these changed conditions or as Lenin remarks somewhere: "The true kernel, the living soul of Marxism is the inquiry into the real situation."

However, this concrete inquiry on which the emphasis of the magazine will be placed is possible only on the basis of certain fundamental considerations which must direct our work. The first issues will therefore present some of these critical principles. They will be developed in connection with such urgent questions as the role of politics in class war, modern attempts toward a reorientation of the class struggle theory, the significance of unemployment and the possibilities of economic planning. We think these articles will show how we conceive the task of the critical theory and thus **the function of "Living Marxism".**

The Future of Unemployment

UNEMPLOYMENT AND THE LABOR MARKET

TO the present economic system, unemployment is a necessity. It is capital's answer to the 'automatic' law of supply and demand in regard to labor power, providing an ever ready industrial reserve army needed for the sudden leaps of the capitalist expansion process. As far as unemployment serves these purposes it is welcome to capital. For the workers, however, the 'problem' simply means misery.

Should there be at any time in a particular country a shortage of 'hands', capital will see to it that this situation is relieved by all possible means of attracting workers and increasing the population. However, in times of depression the desire for abundant labor does not exclude the wish to reduce the unemployed army in order to ease the relief burden. To deport 'foreign' workers, or to drive former peasants back to the farms, is not inconsistent with the desire to see many begging for one job; it is simply an attempted 'saving', the greatest virtue in present-day society. The existing mobility of labor, rising from the fact that workers are free of all property, and from the simplification of many labor processes and the development of transportation, allows such double-faced policies, which in this country, under the name of Americanism, are widely appreciated not only by the 'native stock', but also by organized labor, which prides itself on its share in the passing of certain immigration-restriction laws to combat cheap foreign labor and to safeguard the American standard of living.

It is true that a shortage of workers makes it rather difficult for the capitalists to pay the lowest possible wages. However, should these lowest possible wages be the only guarantee for the maintenance of capitalism, no labor shortage would prevent their introduction. Under unprofitable conditions bankruptcies of some capitalists would throw workers on the streets, and this in return would lower the wages of the workers still employed. The law of supply and demand, whatever its function, ceases to have any meaning in regard to labor power when threatening the profitability of capital necessary for its continuation.

From a profit point of view a labor shortage may also be warded off through the introduction of more efficient means and methods of production; that is, a sufficient increase in exploitation may offset the danger of a rigid wage standard. The relatively high wages of some American workers are rendered pos-

sible by the extremely high productivity of these workers. The exploitation is h e r e increased not by way of taking actual commodities from the workers, but by making them increase their output. This method of maintaining or even raising the 'living standard' of the workers presupposes the existence of sufficient capital to make the necessary social and technological changes possible.

Capital concentration, credits, and foreign loans often permit the introduction of better means of production without a direct increase of exploitation, which might be difficult because of insufficient unemployment. However, the displacement of workers, connected therewith, creates unemployment, which then brings back a certain wage flexibility; unless accumulation proceeds so fast that the displaced workers are at once absorbed in new industries.

A shortage of workers, the ideal of all trade-unionists, leads under capitalism inevitably to unemployment, and it is not the law of supply and demand which finally determines the wage rates. That means also that the 'defeat' of this law by way of trade-unions, conceived as 'job trusts', turns out to be an illusion in regard to final realities. Wage limits are not to be found in the realm of the market. It is true, we repeat, that if there are too many workers asking for jobs, capital can force the wages lower than would be necessary to maintain the system. it gets extra profits besides the necessary ones, thus enabling faster accumulation. The struggle of trade-unions can be concerned only with extra profits and is bound thereby to periods which allow of such extra profits. No scarcity of labor and no trade-union activity can result in wages which would eliminate the profitability of capital. For this reason trade-unions will not of their own accord enter a wage struggle at times which preclude a possible success, that is, times in which a wage struggle becomes a struggle against the wage system. For as John L. Lewis has pointed out recently:

> "Unionization presupposes the relation of employment; it is based upon the wage system and it recognizes fully and unreservedly the institution of private property and the right to investment profit."

To increase or maintain wages, reducing the profits to the exclusion of accumulation, means depression and unemployment. An organized or unorganized scarcity of workers must sooner or later cause unemployment and restriction of trade-union activity. From which it follows that if workers think all evil comes from the fact that too many people are asking for jobs, they are in error. If they hope, as many do, that measures like the expulsion of foreigners, the restriction of immigration, the return of the women to the kitchen or the abolition of child labor would solve their problems, they are mistaken. Apart from the fact that all laws related to questions of labor supply are made in a capitalist society, and therefore in favor of capital, even the acceptance of policies forcing the above mentioned

restrictions on the 'right to work', would mean only a temporary service to capital, without any benefit whatsoever to the workers. Practically it would mean relief savings and the nourishing of such ideologies as distract the workers from the real source of their misery.

The scarcity of workers in some branches of industry may often lead to higher wages than would be the case otherwise. Monopolistic positions often allow of extra profits and therefore of exceptional wages. But these monopolistic extra profits are largely obtained through the robbing of weaker capitalists, forcing the latter to employ cruder means of exploitation. In this way exceptionally high wages for some workers find their parallel in exceptionally low wages for others, just as profits above the average necessitate profits below the average. For this reason William Green, for instance, refuses to "digest" the whole of the C. I. O. offered to him, and would feel satisfied with an additional million of organized workers. An organized minority of workers attempts to maintain its high wages at the cost of the working majority. The social average wage, however, moves within the limits of capital necessities. Never could wages rise, with or without unemployment, where they would reduce profits to the danger point. But, unfortunately for capital wages too cannot be reduced, with or without unemployment, to a point where this would exclude the necessary productivity on the part of the workers. Wage reductions doing away with a necessary efficiency in production are self-defeating. In a depression, for example, due to the fact that the workers are willing to endure greater miseries to hold their jobs, and as the less efficient workers are fired first, the average productivity will be raised. After a while the situation will be reversed, as the productive apparatus detoriates and wage reductions make it increasingly difficult to maintain high-speed production. In the **Brookings Institution's** analysis of the "Recovery Problem in the United States" (p. 167) it is stated:

> "During he first two years of the depression productivity ran according to expected behavior. The index rose in 1930 and again in 1931. However, instead of continuing to rise as the depression progressed, productivity fell sharply in 1932 and then again in 1934. This downward movement in the productivity index is not contradictory to the experience in previous depressions. It simply indicates that the factors favorable to increased productivity per man-hour cannot be depended upon to operate when the depression lasts for a long time, for then the adverse forces become strong enough to offset the gains."

It is true that an abundance of workers will induce many individual capitalists to ruin their workers physically in a short time and to replace the outworn with new ones from the overcrowded labor market. just as many slave-owners had found it more profitable and more to their taste to work their negroes to death within a seven-year period rather than stretch their exploitability over 30 or 40 years. But under modern conditions this is not generally possible without inviting revolution. The

complexity of present-day society and its production mechanism excludes such simple solutions. And then — even granting the possibility of such solutions — it would solve nothing for capitalism, because it is not a reduction, but an increase in the army of labor that capitalism requires for its further welfare and progress.

UNEMPLOYMENT AND ACCUMULATION

To anticipate the future of unemployment it is necessary to investigate the past and the present employment relations. So far, capitalist economists have contributed very little to the understanding of this admittedly most urgent problem. Only lately the force of necessity has led to some investigations which, however, were restricted to the field of statistics, without adequate theoretical support. Economists learned to think in psychological terms. The cry for exactness pertained only to the home, the bank, and the factory. The problem was how to make money, and its investigators saw in their researches only another way of making a living for themselves. As Hitler is held responsible for Nazi-Germany and as it is believed that the present depression belongs to Roosevelt as the previous one to Hoover, so the economic development and its changing aspects were to be discovered in the changing moods of the business leaders. At the bottom of everything was the mentality of the financial wizard, the ingenuity of the industrial pioneer —and sometimes their disappointment in the governments or the world at large, which caused them "to go on strike" as H. L. Ickes, Secretary of the Interior, laments today over the radio. Other economic schools investigate the institution of exploitation in a more "scientific" manner, by abstracting from such secondary influences as psychology. But their 'realism', manifested in their sense for abstractions, goes so far as to overlook exploitation in an exploitative society. It may be said that the greatest discovery of modern economics was the recognition of the wisdom to discover nothing. This caused still another school to find satisfaction in scholastic elaboration of Adam Smith's position on capitalism of about 200 years ago. The more realistic capitalist practice becomes, the more mystified become the concepts related to this practice. The more open and cruder the exploitation, the more 'socialism' enters the phraseology, till one comes to believe with Spengler that a starving worker is a luxury animal, and that in reality the workers exploit the capitalists, as was not so long ago proved by the honored scientist Kotany. Unfortunately he died too soon to see himself fully appreciated, as it is only now that the need to explain starving as a symptom of overfeeding becomes really urgent, especially in such progressive countries as Russia. However, the employment of science for the needs of capital is imperfect like everything else. The scientists can not always escape the discovery of certain truths, though the truth has different meanings for workers and

capitalists. Facts produced by bourgeois scientists may very well enrich the theory and practice of the proletarian class struggle.

Capitalism developed within feudal-agricultural conditions. A small capital means a small number of workers. To exploit more workers, capital must be increased. For this reason capitalist exploitation was particularly ruthless at its starting point. To exploit additional workers, for which capital is needed, always implies greater exploitation of the already existing working population. As capital grows, transforming all social activity into capitalist activity, the modern proletariat develope with modern industry. Accumulation of capital means an increasing working population. Exploitability also grows. earlier crude forms of exploitation are replaced by more refined and more efficient ones. The primitiveness of exploitation can not only be dispensed with; it has to disappear, for capital development needs greater ability on the part of the workers for the modern requirements of industry.

Capitalist development is identical with the creation of world economy. All capitalist activity is based on expansion. Whenever expansion slackens, the products of the previous production period, which includes the increased labor army, become temporarily unusable. A stoppage of accumulation means that it is no longer possible to exploit the increased working population. More capital is necessary to continue accumulation, the needed capital must be raised through intensified exploitation. If capital fails to bring this about, the unemployed army must become permanent.

Unemployment is as old as capitalism. But so far, that is, until 1929, each depression with its large-scale unemployment, was followed by a renewal of accumulation. As life is tears and laughter, so also society "naturally" was made up of booms and depressions. Since the biblical Joseph, people had learned to understand that seven fat years are followed by seven lean years. And as regards those unfortunates falling by the wayside in the course of depressions, this also was only natural, as it is obvious that not all trees bear fruits.

To exploit more workers, we said, it is necessary to exploit a given number more intensively to create the capital for the employment of the additional workers. As long as exploitation can be increased, the number of workers may be enlarged. So far this process has been interrupted, but not ended by depressions, which were to be regarded as breathing spells in the exciting race of capital production over the world. But nothing breathes forever. The business cycle is not made for eternity. The reasons for the eventual end of capitalism must therefore be discoverable at any particular stage of its development.

Profits and capital are nothing but unpaid labor power. Labor power is to be measured in labor time, which is limited as

regards duration by nature as well as by forms and methods of production. The workers cannot possibly work longer than 24 hours a day, for the day cannot be stretched. Under present conditions in the more important branches of industry they cannot continously work much longer than, say, 8 or 10 hours. If production itself limits exploitation in regard to time, an increase of exploitation can be brought about only by reducing that part of the expended working time in which the laborer creates the equivalent of his wages. This part of the working time cannot be reduced to nothing; zero would mean here the absolute end of capitalist production. To employ more workers, necessitating an increase of capital, implies the reduction of that part of the working time of the employed workers in which they create their own livelihood, that is, implies an ever greater increase in the productivity of their labor, which in turn presupposes more and more capital invested in means of production. As long as this is possible—and it has been, for at a certain period in the development of capital, profitability is high enough to permit this—both will be increased (the labor army and capital which employs it) though the latter increases faster than the laboring population. **P. H. Douglas** produces in his "Theory of Wages" (p. 129) a table showing the ratio between quantities of labor and capital. We copy only a few lines to illustrate our statement.

Year	Relation of Labor to Capital $\frac{L}{C}$	Relation of Capital to Labor $\frac{C}{L}$
1899	1.00	1.00
1905	.84	1.19
1910	.69	1.45
1915	.58	1.72
1922	.37	2.70

This shows, Douglas writes,

"that a decreasing amount of labor was combined with each unit of capital and reciprocally that an increasing quantity of capital was united with each unit of labor. This process continued throughout the period save for some cyclical changes, until in 1922 only 37 per cent as much labor was combined with each unit of capital as in 1899, and reciprocally 270 per cent as much capital was combined with a unit of labor as then.

Any newspaper almanac will show that throughout capitalist development the labor army increased tremendously, even faster than the population as a whole. But, to repeat, not so fast as capital. This is the secret of capitalist progress,—the ability to exploit more and more workers by exploiting the original number more intensively. However, this situation implies a new contradiction.

Profits and new capital can be gained only through exploitation. If the number of workers becomes smaller in relation

to the growing capital, although both are increasing, than in relation to the total capital (the wage and the investment capital together), profits and funds for accumulation must decline, as profits are only unpaid labor time which decreases with the capital increase. The faster the accumulation the more it hampers future accumulation. Finally accumulation must lead to stagnation. It must come to a stop when the capital needed to employ sufficient additional workers to counteract the previous decline in profits demands an amount of capital which can no longer be created by the existing army of labor. All attempts to overcome this shortage of profits in regard to continuation of capital formation will then lead to an ever greater replacement of workers by machinery, altough this increase in technological devices will not be sufficient to permit sufficient capital formation. The previous relative displacement of workers now becomes absolute. David Weintraub, without being a Marxist or employing Marx's method of inquiry, but by simply examining the facts, describes such an actual situation quite well in his article in "Technological Trends and National Policy" (p. 87):

> "The growth in total output from 1920 to 1929 was not sufficient, in the light of the increased productivity and the growth of labor supply, to absorb all the available man-power; the result was a substantial volume of unemployement during this entire period."

During this entire period, compared with previous periods, the rate of accumulation was slackening. Recent investigations of the trend of American rates of profit led to the discovery that with the rates of profit the rate of accumulation was declining as compared with the rates before 1920. The tendency toward stagnation was reflected long before 1929 in an increasing army of unemployed. The exceptional became the norm. The recovery since 1933 has not led to a return of the already precarious position of 1929, least of all in the field of employment. Weintraub goes on to say:

> "...we must look to a much more rapid expansion of production than has taken place between 1933 and 1935 before we can expect a return either to the employment or to the unemployment levels of the pre-depression period. A rough calculation indicates that, in order for unemployment to drop to the 1929 level by 1937, goods and services produced would have to reach a point 20 per cent higher than that in 1929, even if the productivity level of 1935 remained unchanged."

The **Brookings Institution** has estimated that for the nation to return by 1941 to the living standard which prevailed in 1929 it will be necessary to increase production of durable goods 60 per cent above the 1936 level. The production of these durable goods would furnish employment for from 8 to 9 million additional workers for a period of five years. It would, it would; but it doesn't. Before reaching the production level of 1929 a new decline has set in again; the army of unemployed grows by leaps and bounds, nearing again its previous established record at the deepest point of the crisis. In November, 1937,

there were, according to the National Unemployment Census, 10,870,000 people out of work in America. Since then, according to most of the published reports, this number has been increased by about 2 more millions, and no one dares to predict a change in this situation for the near future.

UNEMPLOYMENT AND THE UNEMPLOYED

Only periods of capitalist expansion are boom periods. Stagnation means depression. But all capitalist production is based on expansion, and if it stops, commodities designed to satisfy the expansion needs and also the commodity labor power, find no buyers. The depression, although the result of a miserable exploitation system of production, incapable of creating enough goods for humanity because it is incapable of producing sufficient profits for the capitalists, appears to the superficial mind as an overproduction of commodities. The superficial explanation of depressions brings forth similar suggestions for solutions: shortening the working day to employ all workers and increasing mass purchasing power, so that the workers may buy back what they have produced. The proposals sound 'logical' and find acceptance. However, this 'realistic' approach is pure utopianism. For it presupposes an ability on the part of capitalism to initiate socialism, that is, it expresses the wish for capitalist suicide. In reality the shortage of profits in relation to accumulation needs, appearing on the market as over-production of commodities, only sharpens the competitive struggle, which means a greater effort on the part of capital to increase exploitation. If successful, leading to another temporary economic revival, it is accomplished at the cost of the workers. Even if hours are shortened, productivity will be increased fast enough to preclude the employment of additional workers. As far as the increase of mass purchasing power is concerned, the whole history of capitalism shows that this has been possible only so long as production increased faster than wages, and history since 1929 has shown that even this improvement by way of better exploitation has ceased. Since that time wages stagnate or decline in spite of increasing productivity. Competition among the workers sharpens to the point of the development of new class ideologies within the class. Hatred, not solidarity, grows between the lucky ones and those unable to sell themselves, — a situation which is well employed by capital in its competitive struggle, continuing in spite of all monopolization, which after all is only able to prove the sharpening of competition. Just as the competitive struggle of capital turns more and more from the national to the international scene, the sharpening of the workers competitive struggle for the remaining jobs tends more and more to be reflected in the nationalization of their ideologies, in preparation for the coming struggle for power of their respective imperialistic rulers. Who shall live and prosper, the Japanese capitalism or the English? Who

shall work, the Japanese workers or the English? — And so all over the world. If there is no open struggle between capital and labor, there can be only a united front between them both. The "Peoples' Front" movements of today, which includes Fascism, reflect only this reality. So long as the class struggle is only latent and not actual, continously sharpening, the future of unemployment can only be deduced from the future of capitalism, which points to war and increasing barbarism.

Yes, as matters stand today, the workers might find large-scale employment in the diverse armies; and will accept it, for it is 'better than nothing', just as 25-cent wages in the depression are also 'better than nothing'. And they will kill for less than 25 cents an hour to assist a capitalist reorganization of economy in favor of the strongest competitors, and to bring to themselves, besides the glory, a new wage rate of 15 cents an hour. But the unemployment problem would still be unsolved, or solved only for those who died in the heroic attempt to prove the immutability of capitalism in a changing world.

Capital has once more — so it seems today — to reorganize the world in its own way, that is, by adjusting the number of exploiters to the number of exploitables. "Progress" lies in liquidation. To prepare for this day of 'sudden progress', capital will be human, it will at least try to organize the misery it cannot abolish. It will appear a great leveller, spreading the existing misery over the greatest possible number, itself always excluded. It will regiment and fascizize even within the greatest of democracies. The order of war will be practized in peace; production for destruction climaxing the era of capitalism. The curtain for this act of history will close also millions of hungry eyes.

Once more unemployment is being converted, for capitalism, from a source of income into a nightmare. Becoming rapidly valueless as a means of wage cutting, it becomes an ever greater item of taxation, eating into the diminishing profits. Capital will always try, although with increasing difficulties, to cut down this item of expenditures. Workers, regardless of all other implications of the problem, will be increasingly forced to fight relief reductions. To eliminate relief altogether is not possible, to live like humans on Hopkin's canned beef, which would be rejected by many a Park Avenue dog, is also not possible. The unemployed struggle is bound to increase in spite of all war preparations, though the latter will be hastened the more the internal struggle sharpens. There are further temporary 'solutions' given to capitalism. For instance, a new inflation of credits or money, setting present miseries aside to be reckoned with in the near future. Prices may rise faster than wages, the capitalist will gain as much as the workers lose. Rents collected in depreciated money means the expropriation of the landlord, paper for potatoes ruins agriculture, money in the banks elimi-

nates itself legally, life-savings lead to suicide, etc. The pump may be primed till it spills blood.

A capitalism forced to feed the workers instead of being fed by them has no future. This situation excludes all demands for work. To ask capital for a job is in many cases just as ridiculous as to ask it for a million dollars. Those labor leaders who tell the world and their masters that you, the workers, want work are in reality, only trying to prove to their masters how well they have trained you. These unofficial 'social workers', trying to become official ones, have to prove their ability by proving their total absence of all social understanding. They are not realists, however realistic their proposals may sound, but they are not dreamers either; they are simply engaged in maintaining or securing their chosen profession. There are no jobs to be had, and crying for them does not create any. You will have to **fight** for your very lives. Soon this will be literally true, for soon the only way of making a living will be to learn the trade of dying.

Don't ask for work; simply fight for food, clothing and shelter. Down in Palm Beach the unemployed don't ask for work either; they leave that to their servants. And, by the way, your labor leaders really also don't ask for work. How funny to imagine David Lasser asking for work! Those people are much too important for that sort of thing. If there were work to be had, don't worry, you would get more of it than you could stand. Make demands for your most direct needs, but not demands for yourselves only. Individualism presupposes cash to exert itself. Unless you can show the 'proper authorities' that there is something more behind your demands than a lonely frail voice in the age of the loudspeakers, you will be out of luck. Combine your voice with others. There are relief stations, there are also the streets, and there are the factory gates. Don't wait till some ex-ministers of the **Workers Alliance** have collected enough for a flag and a meeting hall. Your relief station is an excellent starting point for an organization; yes, you can even turn it into an organization. And if you simply must belong to the **Workers Alliance,** at least see to it that it becomes your organization and not Mister Border's vehicle to a job in Washington.

Literature on Unemployment

It should be assumed that the close connection existing between unemployment and the decisive economic problems of society would lead to a most intensive study of the subject whereas as a matter of fact, and precisely because of that connection, it has been much neglected.

As far as the volume of unemployment and the trend of its development are concerned, data may be obtained from the monthly and other publications of the **International Labor Office** in Geneva, and the **U. S. Bureau of Labor Statictics,** Washington, D. C. Of the publications dealing with the theoretical aspects of the problem, we can disregard entirely those which deny the displacement of workers by the industrial development of capitalism. Facts

have even forced the apoligists of capitalism to admit this displacement, for which they created the concept of "technological unemployment", but as bourgeois economists they are engaged in finding solutions for the problem **within** capitalism. In connection with the discussions concerning the displacement theory we suggest the reading of **Alfred Kaehler's** article on "The Problem of Verifying the Theory of Technological Unemployment" in **Social Research** (Vol. II; No. 4).

Workers capable of finding their way through the technical terminology of the specialists may consult **Wladimir Woytinsky's** "The Source of Unemployment" (International Labor Office, Geneva, 1935). This book contains important data but lacks sufficient theoretical insight. **Harry Jerome's** "Mechanization in Industry", a book which also deals with agriculture and mining, was published in 1934 by the National Bureau of Economic Research, New York. It stresses the fact that "technical progress outruns actual practice in capitalism", and makes the profit-necessity responsible for this state of affairs. In the last twenty years many studies have appeared dealing with the displacement question in specific industries. As an example, we only mention here **Isador Lubin's** "The Absorption of the Unemployed by American Industry" (Washington, 1929.)

As far as the white collar workers and the learned professions are concerned we suggest the reading of **Lewis Corey's** "The Crisis of the Middle Class" (Covici-Friede, New York, 1935), and **Walter M. Kotschnig's** "Unemployment in the Learned Professions" (Oxford University Press, 1937). Corey treats his problem from a Marxian point of view, Kotschnig from the standpoint of the bourgeois democratic sociologist. But for the latter, too, economic stagnation limits the expansion of education. His survey is significant for its international scope. The radicalization of the intellectuals working with Fascism or Bolshevism he explains as due to the overcrowding of the universities and the impossibility of finding jobs for the graduates. However, the only solution he offers, is for a better organization of the labor market for the academic professions.

Many books published lately and dealing with what appears to the bourgeois sociologist as the "broader" question of "social security", often contain very interesting chapters on the unemployment problem proper. For instance most of the writings of **Stuart Chase** and also Maxwell S. Stewart's "Social Security" (Norton & Co., New York, 1937). The best example of the books in this category is the liberal reformer **P. H. Douglas's** "The Unemployed Problem" which he wrote in collaboration with Aaron Director, published in 1931. Unemployment is here admitted as an outgrowth of capitalism; however it is believed, that capitalism will be able to solve its problem. The suggested means to this end were later partly practised by Roosevelt's Relief Program. The refutation of this idea is very well expressed in **Lewis Corey's** "The Decline of American Capitalism", in chapter V. Covici-Friede, New York, 1934.)

W. T. Colyer's "Outline History of Unemployment" appeared in 1937 in London (N. C. L. C. Publishing Co.), which, written for workers and from a Marxian point of view says concisely as well as comprehensibly almost all that is necessary for workers to know of this subject.

Recent publications incorporating the unemployment question within general theories are the findings of the **Brookings Institution,** which have appeared under the title "Income and Economic Progress". The connection between unemployment and capital formation is recognized but not understood. The solution proposed lies in the field of greater exploitation despite the underconsumption theory underlying the Brookings report. In chapters 6, 7, and 9 of another Brookings publication, "The Recovery Problem in the United States", the reader may find interesting facts and observations regarding the unemployment question in recent history. **David Weintraub's** contribution "Unemployment and Increased Productivity" in the Government Publication "Technological Trends and National Policy"

(Washington, 1937,) comes very close to an Marxian explanation of Unemployment as it stresses the intimate connection between employment and progressive accumulation. In a certain sense also **J. M. Keynes** in his "General Theory of Employment, Interest and Money" comes closer to the Marxian unemployment — accumulation theory than other bourgeois economists. He maintains that "employment can only increase with an increase in investments". The question of investment is, however, for him primarily dependent on the rate of interest, which means nothing to the Marxist.

On the basis of Keynes argumentation **Joan Robinson** elaborates on the unemployment question in her recent "Introduction to the Theory of Employment" (Macmillan, New York). This books is addressed to the layman. The chief function of the rate of interest, according to her, seems to be "to prevent full employment from ever being attained". Longmans, Green & Co. (New York, 1937) published **R. G. Hawtrey's** "Capital and Employment". In opposition to the ideas presented by Keynes, Hayek, Pigou and others, Hawtrey's explanation of employment is a purely monetary one. The status of the discussion around the employment problem among the bourgeois economists might be obtained through a reading of these books.

For empirical data in relation to types of unemployment, occupational characteristics, etc., workers may consult the publications of the W. P. A. Research Administration as for example "Urban Workers on Relief". Certain state publications, as "Labor and Industry in the Depression", published by the Commonwealth of Pennsylvania, and "Unemployment and Relief in Michigan", by the State Emergency Relief Administration, Michigan, can be recommended, for data and observations pertaining to the American scene and unemployment. However, indispensable for workers interested in the serious study of their problems is **Marx's "Capital"**, especially its chapters on the effects of machinery on the workman, and his theory of capital accumulation.

Planning New Depressions

(From the book "Karl Marx" by Karl Korsch to be published this season by Chapman & Hall, Ltd. London, and by John Wiley & Sons, Inc. New York.)

The social organization of labor which is hidden under the apparent value relations of the commodities, is achieved in the bourgeois mode of production without the will and knowledge of the individual commodity producers. Bourgeois "commodity production" is therefore at the same time a private and a social, a regulated and an unregulated (anarchic) production. It seems as if by an undisclosed decree of "God" or "Providence", "Fortune" or "Conjunction" it were laid down beforehand what kinds and what quantities of socially useful things should be produced in every branch of production. But the individual capitalist "producer" learns only after the fact — through the saleable or unsaleable quality of his commodity, through the price vacillations of the market, through bankruptcy and crisis — if and how far he has acted in accordance with that unknown rule, the economic "plan" of capitalistic reason. Bourgeois economists have referred over and over again in poetic metaphors to this inscrutable mystery of their own social ex-

istence. Just as Adam Smith* spoke of an **"invisible hand"** which leads the individual trader to promote an end which was no part of his intention, so other economists before and after him referred to the "play of free competition" to the "automatism of the market", or to a "law of value" which would apply to movements of production and circulation of commodities in the same way as the law of gravity applies to the movements of physical bodies. In fact, the concept of an entirely automatic regulation of the whole industrial production brought about by the mere exchange of commodities among totally isolated commodity producers on a national and international scale was not more than an abstract **"ideal type"** even in those earlier periods when it first struck the eyes of the bourgeois classical economists. It was never fully realized in actual capitalistic production.

Nevertheless, there is in bourgeois commodity production an unwritten law which rules the production and exchange of labor products as commodities. But this is by no means an unchangeable law of nature; it is a **"social law"** which resembles a genuine physical law only in its apparent independence from our conscious volition and purpose. Like any other social rule, it holds good only under definite circumstances and for a specific historical period. In dealing with the "so-called Original Accumulation of Capital", Marx showed what enormous effort was required to give birth to this fundamental law of the modern bourgeois mode of production and the other "eternal" laws connected with it. He exposed a series of more or less forgotten sanguinary and violent acts by which (in real history) the actual foundations of those so-called natural laws were brought into existence. (The expropriation of the workers from their material means of production forms the basis of this process.) Marx has likewise shown in detail that even in completely developed commodity production the "law of value" does not apply in the sure and efficient manner of a genuine natural law or of a generally accepted "providence", but is realized solely by a succession of frictions, vacillations, losses, crises, and breakdowns. He says that "in the haphazard and continually fluctuating relations of exchange between the various products of labor, the labor-time socially necessary for their production forcibly asserts itself as a regulating natural law **just as the law of gravity does when the house collapses over our heads."****

With all these deficiencies, the **law of value** is the only form of social organization of production which exists today and is, indeed, the only kind of social "planning" which conforms to the principles of modern competitive or commodity-producing society. It is an ironical whim of history that just that self-con-

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*See "Wealth of Nations", Book IV, Chapter 2.
**See "Capital", Book I, Chapter 1, subsection 4.

tradictory belief in a "consciously planned commodity production" which lies at the bottom of the first utopian schemes of a "National Bank", at which "any member of the community might lodge any kind of produce and take out of it an equal value of whatever it may contain"*** and which was afterwards voiced in various forms by the successive schools of "social reformers", has been adopted today even by the official spokesmen of the bourgeois class. But though this illusion is as old as capitalism itself and obstinately persists in spite of theoretical arguments and in spite of the breakdown of all projects brought forward for its realization, it is unsound both from the orthodox principle of bourgeois economic science and from the materialistic viewpoint of Marxism. It is interesting only as an ideological reflex of the deep-rooted contradictions inherent in the very principle of capitalistic commodity production.

Such differences as exist between the earlier epoch when the progressive Free Traders regarded every "interference" of a state not yet entirely their own — as an oppressive disturbance, and the present phase when even some of the most "orthodox" economists have turned from self-help to state intervention does in no way indicate a gradual conquest of the animal-like "struggle for existence" prevailing among the isolated producers of early bourgeois society by the growing collective reason of all capitalists grouped together and organized in the modern bourgeois "state" and in the more or less authentic institutions of a so-called "public opinion". There is thus only a difference of degree between the early more or less numerous "interventions" (of the early bourgeois state into the "free play of competition") and the increasingly rapid succession of more intrusive measures, by which today everywhere in the old and in the "new", in the fascist and in the still democratically governed capitalistic countries, an apparently new attempt is made to **"control"**, to **"correct"** or to **"steer"** the existing economic system. Such measures serve at the utmost to weaken temporarily or even merely to disguise some of the most obstructive results of capitalistic production. Instead of ousting the planlessness resulting from the fetish-form of commodity production, they merely stampede the unique form in which production had been heretofore "planned" within capitalistic society and utterly destroy the only "organization of labor" possible under capitalism.

This increasing **destruction** of its own foundations is forced upon present-day capitalism by an objective development of its inherent tendencies. It is produced by the ever increasing accumulation of capital, by the growing monopolistic tendencies

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***See John Gray: **The Social System, a Treatise on the Principle of Exchange,** 1831, and for a critical refutation: Marx **"Critique of Political Economy,** 1859.

of the big industrial and financial combines; by the increasing appeal to the state to rescue "the community at large" from the dangers brought about by the impending collapses of hitherto proud and tax evading private enterprises; and by the hyper-ultra-super-dreadnought demands for subsidy raised by the various direct and indirect producers of armaments, encroaching evermore on the field formerly occupied by the activities of the less directly war-producing industries. In trying to escape from the periodical crises which threaten more and more the existence of bourgeois society, and in a desperate attempt to overcome the existing acute crisis of the whole capitalist system, the bourgeoisie is compelled, by continually fresh and deeper "interferences" with the inner laws of its mode of production, and continually greater changes in its own social and political organization, to prepare more violent and more universal crises and, at the same time, to diminish the means of overcoming future crises. In organizing peace it prepares for war.

The futility of any attempt to deal with "competition's waste" within the existing forms of production and distribution becomes even more e v i d e n t when we proceed from the elementary form of the "commodity" to the further developed form of "the worker transformed into a commodity," or from the general historical character of bourgeois production to its inherent **class character.**

Just as the utopian exchange banks, labor certificates and other endeavors to organize commodity production are repeated in the half-hearted "planning schemes" of the frightened economists and "socially minded" big capitalists today, so the first unwieldy attempts of the insurrectionary workers of Paris to wrest from the "revolutionary" government of 1848 some form of realization of the worker's "right to work", are echoed in the various measures by which the democratic and fascist countries try to overcome the increasing menace of **unemployment** by a more or less compulsory organization of the labor market. And just as in the first case Marxism answered the capitalist "planners" that the only organization of production conformable to commodity production is the law of value, so sober materialistic criticism of the schemes to supplant the glaring insufficiency of the free "labor market" by some form of public regulation must start from the premise that the transformation of the workers into salable commodity is but a necessary complement of that other transformation on which all modern capitalistic production rests both historically and in its actual existence today — the transformation of the workers' tools and products into non-workers' "capital". In fact, there is more apparent than real progress in the new deals offered to the growing numbers of the unemployed by their capitalistic rulers today, as against those now almost forgotten times when the only cure foreseen by the most "philanthropic" spokesmen of the bourgeoisie was the workhouse. Now as then, the final result of the endeavors to ex-

terminate both the old form in which unemployment periodically recurred in the industrial cycle, and the new "structural", "technological", "chronic", form in which it has come to stay, is one or another disguised form of that compulsory service whose real character is revealed in the Labor Camps and Concentration Camps of National Socialist Germany.**** Behind these "normal" remedies offered in times of peace, their stands, as ultima ratio, the mass-employment offered by a new war and already partially anticipated by a hitherto unheard of extension of the direct and indirect armament industries both in the fascist countries and in democratic Britain and the pacifistic U. S. A. The best form of "public works" under capitalist conditions is, indeed, war itself which above all other measures to "create work" has the incomparable advantage that it will never cause an undersirable glut of the market because it destroys the commodities it produces simultaneously with their production and, incidentally, destroys a considerable portion of the "excessive" workers themselves.

The apparent **"Fetish Character of the Commodity"** and, with it, the apparent validity of a fetishistic **Law of Value,** will not disappear, nor will the economic crises and depressions and the various forms of periodical and chronic mass unemployment, wars and civil wars cease to plague the modern "civilized world", till the present mode of commodity production is entirely destroyed and human labor organized in a direct socialistic mode of production. For this, however, as anticipated by Marx in **Capital,** a material groundwork is required, or a set of material conditions which are themselves the spontaneous outgrowth of a long and painful process of development."

The positive importance of all attempts made on the basis of the existing capitalist conditions to create a so-called **"organized capitalism"** lies in another field entirely from that presumed by its ideological promoters — the "planning school" of modern capitalistic economics. The hectic endeavors to supplement the defects of "free" capitalistic commodity production confirm the gravity of those defects and thus inadvertently reveal the fettering character of the existing capitalistic production relations. They put into sharper relief the incongruence between an even more efficient organization of production within the single workshop or private capitalistic trust and the "organic disorganization" prevailing throughout capitalistic production. The futile schemes to keep in "normal" proportions the increasing mass of unemployment and pauperism illustrate once more the capitalistic law of population first enunciated by Fourier and

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****See the remarks of Engels in his letter to Bernstein (on page 21 of this journal), which are a prophetic anticipation of the ultimate capitalistic realization of the "right to work" in Nazi prisons, and other forms of unpaid compulsory work.

later scientifically demonstrated by Marx that "within the capitalistic system all methods for raising the social productivity of labor coincide with an extension of the relative surplus population, or the industrial reserve army kept at the disposal of capitalistic industry as a potential supply of labor power for the rapid increases of production in times of prosperity and for the full utilization of the existing capacities of production in war."

There is, furthermore, a considerable difference between the same measures when offered by the capitalists in distress and when thrust upon them by the conscious action of the workers themselves. That difference may, at first, not be a difference in the purely economic contents. Yet it is a difference of social significance. "The right to work, taken in its bourgeois sense", said Marx with referrence to the struggles of the Paris workers in 1848," is a contradiction in terms, an impotent pious intention; but behind the right to work there stands the control of capital, and behind the control of capital the appropriation of the means of production by the associated working class, that is, the abolition of wage labor, of capital, and their mutual dependence. Behind the "right to work" stood the insurrection of June."*****

Finally, a few of the new developments which are today featured as achievment of the "planning idea" may serve to work out within the narrow bounds of the capitalistic production-relations some of the formal elements which, after the overthrow of the existing mode of production, will be totally stripped of the residues of their capitalistic origin and thus usefully applied in building up a really cooperative and socialistic commonwealth. For the time being there remains, along with the imperfect social organization of material production in the structure of the present bourgeois society, also the reversed form, in which the social relations of men are now reflected as mere relations of things. There remain unchanged, even in the newest "as good as socialism" models of a planned and steered state-capitalism, and there will remain so long as the products of labor are produced as commodities, all the fetish-categories of bourgeois economics: commodity, money, capital, wage-labor, increasing and decreasing total value of production and of export, profit-making capacity of industries, credits, etc., in short, all that which Marx in his earlier philosophic phase called "human self-alienation", and in his later scientific phase fetishism of commodity production". In spite of appearances such a system of production is not in the last analysis governed by a collective will of the associated workers but by the blind necessities of a fetishistic "Law of Value."

*****See Marx: Class Struggles in France 1848-50.

THE RIGHT TO WORK

Translation of a part of Engel's letter to Bernstein, May 23, 1884 (on the occasion of the slogan Bismark threw into the election fight in those days).

"...The "right to work" is a conception invented by Fourier. But in his theory it can be realized only in the phalanstery.* It presupposes, therefore, the acceptance of this form of organization. The Fourierists, peace loving philistines of the **Democracie Pacifique**, as their paper was called, spread this conception just because of its innocuous sound. As a result of their absolute theoretical unclearness, the Parisian workers took over this slogan. It seemed so practical, so non-utopian, so immediately realizable. The government put it into practice in the only way in which capitalism was able to, in senseless national public works. In the same way, the "right to work" was put into action during the cotton crisis of 1861-4 in Lancashire, England, through municipal public works. And in Germany, it is realized in the hunger and cudgelling working colonies for which the philistine is now enthusiastic. As a **separate** demand the "right to work" **cannot** possibly be realized in any other way. The granting of this demand by capitalist society can be accomplished only within its **own** conditions of existence. If the right to work is demanded from capitalism, it can only be under these specified conditions and thus what is actually being demanded are national public works, work-houses, and worker colonies. Should, however, the slogan be meant as an indirect demand for the overturn of the capitalist mode of production, then,considering the state of the movement today, it represents a cowardly regression, a concession to the "socialist laws"** — a phrase which can have no other purpose than to make the workers confused and unclear about the tasks which they must strive for and the conditions under which these tasks can alone be achieved...".

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*Phalanstery is the name of the self-administering community of production on which Fourier bases his utopian society.

**These are the laws which were then passed under the premiership of Bismark to suppress the socialist movement in Germany.

Marxism and Psychology

IN face of the present defeat of the labor movement all over the world, militant workers feel an increasing need for reorientation. The principles of class struggle are subjected to a radical criticism. We plan to formulate and discuss typical trends of such criticism. The following is a characteristic reflection:

The theory of the old labor movement was rational and objectivistic, but the masses do not act according to their clearly intelligible economic needs. The ideologies and not the economic interests seem to be the determining factor in the minds of the masses. It is only realistic to recognize this fact and to create the propaganda and organizational forms which correspond to this knowledge. An inquiry into the real motives of mass conduct, with the objective of finding instruments to control and to guide this conduct, should therefore become a principal part of every theory of class struggle. Psychology seems to have been

selected to complete and partly replace the "objective" knowledge Marxism has given us.

In spite of their growing influence a consistent theoretical formulation of these views does not yet exist in American radical literature. In Europe, because of the actual experience of fascism, we find many attempts to "complete" the Marxian theory of class struggle by "social psychology". We take the theory of some exponents of the **Freudian School** as representative of this theoretical current, because the arguments they give are, so far, the most clearly and uncompromisingly formulated. Though our criticism will be confined to a specific theory, its conclusions extend to the general problem indicated.

For the theories we will discuss originate in these general reflections. They criticize official Marxism for regarding the development of class struggle as mechanically dependent on "economic necessities", and for not sufficiently considering the importance of the subjective factor in history. It is necessary, writes Wilhelm Reich, one of the founders of the so-called Sex-Pol movement, to recognize the "ideologies as material power". In 1932 at least 30 million Germans wanted socialism, nearly the whole country was anti-capitalistic, yet the victor was fascism, the saviour of capitalism. "This is not a socio-economic problem but one of mass psychology". The "lack of understanding of the psychological factors involved" was one of the chief reasons why the German labor movement organizations were unable to resist fascism (Reuben Osborn). Analytic social psychology is therefore considered "essential to Marxists". It will "raise the quality of revolutionary propaganda and put it on a scientific level".

I.

Analytic social psychology derives its fundamental conceptions and methods from the theory of human consciousness Freud developed as a working basis for his therapy of neuroses.

Freud's genuine discovery concerns the "unconscious". He found that underlying all consciousness is a large part of our mind of which we are unaware under ordinary circumstances. The unconscious contains all kinds of forbidden images and desires. The biological part of personality which expresses itself in the desires, Freud and the greater number of his disciples identify mainly with two drives, one of self-preservation, and the other, a broadly conceived sexual drive, the so-called "libido". Every living being is dominated by the "desire principle." He tends to achieve the maximum satisfaction of his impulses. The desires are irrational and amoral. They are not guided by the objective possibilities of fulfillment and have no conception of what is considered right or wrong in society. The "desire principle" thus clashes with the "reality principle" a conflict which makes it necessary to give up immediate gratification of the impulses in order to avoid pain.

In contrast to the drives for self-preservation which in the main can be delayed only for a relatively short time, the sexual impulses can be considerably postponed. They can be forced also into the unconscious (repression,) or their objectives can be substituted by other objectives on different spheres of reality (sublimation). While the self-preservation impulses need material means for satisfaction, the needs of what Freud calls the libido can be satisfied through the mechanism of sublimation, for instance by phantasy. The ruling class uses this mechanism in order to give the masses the kind of emotional satisfaction which is socially available. The faculty of the impulses to adapt themselves actively and passively to social conditions is the main concern of this socio-psychological theory. The adaptation is achieved by the rational and mainly conscious parts of the mind, which act as a kind of organizer of the personality.

Freud distinguishes a further aspect of the human mind which he calls the "super-ego". This conception is one of the most ambiguous parts of his theory, but because it is considered especially important for our problem, we cannot avoid dealing with it here. Freud designates its function mainly as "moral consciousness and the creator of ideals". The super-ego is regarded as the projection of social authority in the personality, as the introverted external force. The child who grows up in the family encounters the social force in the person of the father. His reason is not developed sufficiently for adaptation; it is not yet able to grasp rationally the possibilities of mastering the hindrances with which its desires conflict. The child erects in himself by indentification with the parents an arbitrary authority which he adorns with the attributes of moral power, not subjected to rational judgments. Once the super-ego is established in the child's personality, it will always be projected on the authorities dominating in society. Man will attribute to the authorities the quality of his own super-ego and in this manner will make them inaccessible to rational criticism. Thus he will believe in their wisdom and power in a measure totally independent of their actual qualities. The real or propagandized attributes of the authorities in their turn will determine by the same mechanism the content of the super-ego and become identified with it. Through this process of identification the psychoanalysts explain how religion, the state, leaders and the other social fetishes can have such a tremendous influence. They have the same function in the adult mind the father and mother had in childhood. And, as the helpless child's fear of punishment was the decisive factor in the formation of the super-ego in that period, so the existence of direct social force is the decisive factor in the growth of the super-ego and its identification with social authority. The irrational commands of the super-ego would lose its power, the rational part of the human mind would easily triumph if the physical social force would cease to function.

As the function of the super-ego can be understood only by delving into the life history of the personality, the general structure of personality is, according to Freud, only understandable by an analysis of the development of instinctual life through which it normally proceeds in its adjustment with family and society. This is another phase of Freud's theory which seems rather strange especially in the condensed form presented here. Only a reproduction of the clinical material would make manifest its empiric proof. The rough outlines of how the psychological forces are traced back to the individual's childhood however, are clear enough. The infant first loves itself, then its parents. Freud characterizes its sexual structure in this second period with reference to King Oedipus, who loved and married his mother. After a stage of homesexuality, the development passes into the genital heterosexuality of the normal adult. But the child may not be sufficiently free of the ties to one of the infantile objects of his sexuality. Either his emotions can be **fixated** there, or because of unpleasant experiences in later life may **regress** to one of the earlier emotional states. Most psychoses and abnormal character traits are rooted in the recognition of emotional needs which are not permitted to enter consciousness. They all represent a retreat from reality. The method of psychoanalysis, with its delving into the life history of the patient makes conscious to him the unconscious causes of his neurosis and so helps him overcome it.

Because the main development of the instinctual life takes place in childhood, the research into the psychologic structure of the family is one of the chief purposes of the theories discussed here. The roots of morals and religion in man are reduced to the influences of education. The metaphysical character of morals is thus dissolved. The whole ideology of society is reproduced in the child during its first four or five years. The family is understood as the psychologic agency of society. It is the factory of ideologies.

The various forms of suppressing its emotional drives in the bourgeois family make the infant timid, susceptible to authority and obedient — in a word, it can be educated.

Through the family authoritarian society produces the authoritarian type of mind. It is the result of an incomplete development of emotional life and a weakness of rational power, both due to suppressions in childhood typical of that form of society. The authoritarian attitude is characterized through its different reactions, depending on whether they are directed against a strong or weak individual. If personalities can be roughly divided into two types, of which one is principally aggressive toward those in power and sympathetic to the helpless, and the other is in sympathy with the rulers and aggressive to the oppressed, then the authoritarian type is an obvious representative of the latter. One of its characteristics is to suffer without complaint. But the authoritarian man is ambivalent;

he loves and hates his gods simultaneously and thus often rebels blindly against the existing power. His irrational revolt, however, does not change his emotional structure or the structure of society. It merely substitutes a new authority for the old. The real revolutionary personality, as contrasted to the authoritarian type, is rational and open to reality; in other words, represents the fullgrown adult who is not governed through a combination of fear of punishment and desire for approbation by paternal authority. His heroism lies in the changing of the material world — the heroism of the authoritarian type in submission to destiny.

The more the contradictions in society grow, the blinder and more uncontrollable the social forces become, the more catastrophes as war and unemployment overshadow the life of the individual, — the stronger and more widespread becomes the emotional structure of the authoritarian personality. Its final abolition is conceivable only in the eradication of the planlessness of social life and the creation of a society in which men order their life rationally and actively.

So the findings of the psychoanalysts show that the planlessness in economics produces and is reproduced by men whose psychic structures are also planless. They are bound and subjected to the ruling class through the unconscious and, therefore, uncontrollable emotional forces, and through the irrational power of the conventional creeds they erected in themselves. Only the diminishing of these irrational ties, the increasing of rationality — can strengthen the ability of men to change the social conditions. Only a kind of propaganda and organization takes this into account will be capable of achieving a real revolutionary effect. As long as the masses tolerate a propaganda made up of ideological slogans and revolutionary organizations built on blind loyalty to leaders, the level of class consciousness necessary for a radical change of the ruling order is not attained.

II.

In considering the psychoanalysts' description of the mind of the individual in capitalism, we see that their findings do not oppose the criticism of society given by the Marxian theory. Because a criticism of psychoanalysis itself is not our concern here, we restrict ourselves to a few remarks on this point. There is no doubt that the super-ego hypothesis meets many objections. It is sometimes unclear and inconsistent in Freud's own presentation, but it contributes to the investigation in the psychological problem of authority.

The psycho-genetic conception of man's personality with its dissolution into a bundle of drives and its obvious simplifications of these drives is also open to criticism. These theoretical weaknesses are due to the fact that the basis of clinical observations on which psychoanalysis has been built is too narrow to in-

terpret the complex human and social activities it undertakes to explain. The practical psychiatrist, in drawing his bold generalizations from a constricted field of observations, often simply extends the intellectual attitude he had toward his patient. This is made possible by the conditions of our society which present a picture similar to the abnormal case in psychiatry. This abnormality of society which the Freudians with their method of inquiry find reflected in the individual, is the subject of Marxian analysis.

However, the conclusions of the psychoanalytic theory as we developed them here are not a c c e p t e d by the overwhelming majority of its adherents. Neither Freud nor most of his disciples maintain these viewpoints. Because they accept bourgeois society as permanent, they do not believe in the possibility of changing the objective force-relationships which, as we explained, are decisive factors for the existence of the emotional structure. They vacillate between a progressive bourgeois attitude of the 19th century and the misanthropic pessimism of modern authoritarian society. Freud himself, as well as many of his most renowned disciples, tends more and more to a nihilistic attitude. This is partly due to the constructive tendency of the psychoanalytic theory which allows numerous intellectual loopholes.

Yet a consistent interpretation of man's emotional structure, on the basis of psychoanalysis, can only lead to a materialistic explanation of the individual in society. Erich Fromm justly criticizes the formalistic parallel Freud draws between the helplessness of the child in the family and the adult in face of social forces. This is not only a parallel but a complicated interconnection. It is not the biological helplessness of the small child which is the decisive factor in its specific need for a definite form of authority, but it is the social helplessness of the adult, determined by his economic situation, which molds the biological helplessness of the child and which thus influences the concrete form of the development of authority in the child. Only if the influences of the economic conditions on the libidinous impulses are sufficiently considered can the mental behavior of the individual be adequately interpreted.

A social psychology which, on this scientific basis, attempts to explain the socially relevant, common psychic structures of individuals in a group must be in accordance with the Marxian interpretation of society. The conformity of its results with the revolutionary criticism of society will not be due only to the general analogy between the neurotic person and our disorganized society. For, the larger the group considered, the more are the common life experiences of its members, from which it explains social behavior, identical with the socio-economic situation which is the subject of the critical theory of society.

In this identity lies the strength of analytic social psychology and its crucial weakness. It is extremely questionable if the

"results" achieved so far by this theory in explaining social behavior are really the outcome of its genuine research. It seems rather that the cart were put before the horse, that it is not social psychology which serves Marxian analysis but the latter which helps our psychology find its concrete conceptions. And in fact, the Marxian critical interpretation of the dehumanized existence of man under capitalism leads to a much more comprehensive understanding of the human traits and relationships which are decisive for the changing of society.

But how far removed has official Marxism become from this practical task! The Marxists and the Marxian psychoanalysts vie with each other in formalistic attempts to prove that the "methods" of their respective "sciences" are identically "dialectic". They waste their time in ascertaining the "philosophical parallels between the materialist conception of history and the dynamic and genetic character of Freud's understanding of the individual". The symptom formation in neuroses is discovered as "dialectic in nature". "The ego acts as a synthesizing agent". The development of the libido is regarded as a "process in which the accretion of quantitative change sometimes yields suddenly to qualitative transformation". How futile such discussions are, even from a limited scientific viewpoint, we will exemplify in one instance which Osborn greatly expatiated upon. He asks himself how the undialectical character of conscious representations are compatible with the "basically dialectical character of human thought". As solution of the riddle, he proposes that the dreams, the undisturbed expression of the unconscious, form the dialectical opposite of the waking thought process. The rational agency in man strengthens the repression of the emotions by exaggerating the incompatibility of its dialectical tendencies with conscious standards. Because reality is usually unable to offer unconditional gratification of the impulses, man's reason exaggerates the harshness of reality and represents it as rigid and unchanging in order to strengthen the repression of the drives.

Determining for the logical structure of our every-day thinking and for the distinction between primary and secondary qualities in natural sciences, is not our emotional mechanism but the necessity to order the stream of appearances of the outside world for the purpose of dominating it. This domination is further possible only on the basis of the **adequacy** of our conceptions and the objects we grasp through them. To explain the structure of these conceptions in terms of a reaction formation against man's impulses is simply nonsense. The function of the structure of conceptions in natural sciences as well as in our daily life must be explained primarily in terms of the social purpose both have to fulfill.

We understand that the assurance of its "dialectical" character is the official state ticket for any "science" to be ad-

mitted in Russia. But also, outside of that country and its subjects here and elsewhere,such discussions r e v e a l the degeneration of Marxism to academic concerns. We therefore do not wonder that John Strachey hails this part of Osborn's exposition as "his most exciting theoretical discovery."

III.

The social psychoanalysts understand the practical function of their theory as a means of "activizing the masses". They want to help in the development of class consciousness by formulating and articulating the emotional needs of the masses. As they are especially concerned with the sexual needs, they maintain that it is particularly important to expose the reactionary social function of sexul morals and religion. By such propaganda they think they will be able to dissolve **bourgeois ideologies** and thus undermine "one of the principal pillars of capitalism—the willingness of the masses to bear social suppression and exploitation". The fate of the revolution is always decided by the broad "unpolitical" mass. The revolutionary energy emerges from every-day life. "Therefore", they proclaim, "politicalize the private life, the market, movies, dance halls, luna parks, bedrooms, bowling alleys, pool parlors!"

Although they admit that the socio-economic relationships determine the structure of the mass impulses in the ultimate degree, the psychoanalysts believe that the actual revolutionizing of the masses must primarily concern itself with the ideological superstructure of society. They justify this opinion with their psychological knowledge of the class-stabilizing effect of the emotional ties which bind the masses to the dominant leaders and ideologies. They are convinced that the present trend to fascism empirically sustains their theory and actual proposals.

In liberal society the authority was veiled to the individual. His lack of freedom was hidden from him by his acceptance of the fetishes of prices, property and law relationships as natural forces. That was the false consciousness which Marx had in mind when he analyzed the role of fetishism in bourgeois economics. This disguise disappears more and more. The direct and brutal authority of the totalitarian state economies is the direction in which present society is moving. It took all the efforts of the Marxists to "unmask" as Lenin called it, the false consciousness, to show the fetishistic character of legal equality, of bourgeois democracy, of religion, and primarily of the commodity. Now, all these fetishes are falling,—the masses do not rush to the defense of "their" democracy, "their" equality before the law, "their" freedom of exchange on the market or before God, or even "their" political leaders! That, our psychoanalysts cannot understand! There must be something wrong with the Marxian theory, they reason, and this they believe to have discovered in the "economistic" tendency of official Marxism.

There is no doubt that various schools of contemporary Marxism have joined the ruling class in the fabrication of ideologies. The objectivistic tendency in a certain direction of this Marxism is nothing but an expression of its ideological turning. But the psychoanalysts we discuss here are by no means justified in their objection because it is just their failure to recognize the workers' basic economic dependence on the owners of the means of production which characterizes their views. The **acceptance of this economic authority** by the workers was the basic relationship of the liberal system as well as it is the basis of the totalitarian society. As long as the masses regard this authority in production as necessary, as long as they do not rebel against it, so long will the leadership of the ruling class remain unshaken. That the existence of irrational authoritarian ties is also a factor which strengthens the deeper economic relationship will not be denied. But to believe that now when the fabrication of ideologies is increasingly the product of centralized agencies with the most efficient technical means, to believe that just **now** the main effort must be placed on agitation in the sphere of the super-structure is to invite a tilt with windmills.

The present change in the socio-economic structure brings about a condition in which the self-explanation and justification of the society becomes a conscious production, even in capitalism; and because the contradictions of capitalist production are intensified daily, the ideological rationalizations which disguise them become increasingly removed from reality. Just now, when the appearance seems more than ever to prove the decisive "material influence of the ideologies," the decision is totally dependent on a change in the **economic relationships.** It is not only impossible but also unnecessary to fight the propaganda agencies of the totalitarian rulers with their own weapons. These ideologies will break down as rapidly as they are now accepted by the masses. Their inconsistency with reality will become openly apparent at the moment the masses are forced to face the material overthrow of society. More than ever must the critical theory concern itself with this fundamental material change. More than ever is this theory bound to the development of the consciousness of that class which holds the key positions in the mechanism of production. And the direction of this development is prescribed by the necessity of clearing up the very simple questions concerning these basic social relationships. The moment the workers take over the means of production, they will control also the production of propaganda. The production of ideologies will be replaced by the systematic and all-embracing rationale of public self-interpretation. The masses will work in common effort to develop and clarify the principles which will determine the production and organization of society.

The overemphasis of the sexual factor becomes especially apparent in the kind of propaganda the Sex-Pol movement proposes. But apart from that, the ineffectiveness of their attempt to tie a radical propaganda to the emotional needs of the masses is easily demonstrated by their own theory. This theory indicates that the special structure of the libidinous impulses which determine the attitude of the masses toward the authorities is wholly dependent on the social force these authorities represent. Thus they will always be capable of using the mechanism of repression and sublimation for their ends. This very faculty of the sexual impulses to adapt themselves to social conditions makes them much less fit to be used as a lever for revolutionary propaganda than self-preservation impulses. We certainly do not believe that the very complex problem of class consciousness can be adequately interpreted by a simplifying drive theory. But on the basis of such a formal division of man's emotional life the hunger drive will be of much greater influence for any insurrection than the easily adaptable sexual impulse. Furthermore, the socio-psychologic theory emphasizes the importance of childhood, especially of the first four or five years of life, for the development of the power of ideologies in man. If, therefore, the dissipation of ideologies in the masses must be a condition for the overthrow of society, the logical conclusion would be that we must first reform the family or, in other words, that we must revolutionize the kindergarten to effect a social revolution. This would be even worse than the old well-known social democratic illusion that the social revolution presupposes the "revolutionary man" who can only be the outcome of a long process of mass education.

The psychoanalysts' proposal practically lead to a propaganda of substitute satisfactions for certain impulses which can be supplied within the framework of capitalist society. This political propaganda is not new. It has always been used in the old labor movement. Its fundamental ideas were the basis of the tremendous organizations for singing, hiking, dancing, gymnastic and all other purposes—except the earnest preparation of fighting capitalism—which nearly all the worker organizations in Germany engaged in before 1933. However, the real social function of this "revolutionary" education and its practical achievements became apparent in Hitler's "Kraft durch Freude" (Strength through Joy).

BOOK REVIEWS

REUBEN OSBORN, "Freud and Marx".

Equinox Co-operative Press, New York, 1937; 285 pp.; $2.50.

Osborn's book is, as far as we know, the first comparative study in English of the doctrines of Freud and Marx. He gives a survey of both theories, which in the manner of our modern Moscow annotators is composed chiefly of quotations.

His formalistic comparison of the two doctrines consists primarily in ascertaining whether Freud's theory and the human mind as described by it are "dialectic". One of his explorations in search of dialectics we discussed in another article of this issue. Osborn's superficial comparison does not touch on the theoretical connections between the two theories, on the basis of which an application of psychoanalysis as social psychology could alone be possible and of any concern for the worker.

In the last chapter of his book, Osborn gives "some applications" of what he learned from his comparison. His study of the emotional structure of man leads him to the recognition "that the need for leadership is universal" (p. 266). Leadership, he defines as "the faculty to stand in the emotional relationship of the father of childhood days" (p. 264). Thus he concludes we must give the masses what they are accustomed to. We must consciously develop leaders by "idealizing for the masses some one individual to whom they will turn for support, whom they will love and obey" (p. 266). To the objection that this is only a form of fascist demagogy, he replies that fascism satisfies **subjectively** the same needs as does communism. And what does Stalin, the great father and leader of the iron cohorts of the world revolution say about the **objective** conditions in the fatherland of the proletariat? He says, and Osborn quotes this statement, that "the role of so-called objective conditions has been reduced to a minimum, whereas the role of our organizations and of their leaders has become decisive, exceptional" (p. 273). These sentences are not essentially different from those we are accustomed to hear from similar fathers of similar socialist countries who stress the "primacy of politics over economics". And who does not remember his first father-substitute in grade school preaching — "men make history".

In the article already referred to, we demonstrated that Osborn's conclusions cannot claim to result from a psychoanalytic interpretation of the authoritarian relationship. On the contrary, the analysis of social authority shows that the maintaining of the emotional ties which bind the masses to leaders and ideologies only weakens their faculty for revolutionary activities.

As a further application of the "unity" he achieved between psychoanalysis and Marxism, Osborn justifies point by point the whole party line of the C. P. He delivers "psychological" arguments for the united front policy and proposes to "associate the present struggle of the masses with the heroic figures of the past" (p. 268), — the national heroes of the bourgeoisie. This proposal which in the sphere of the individual's personal life means a preservation of all the moral and authoritarian ties to capitalist society reveals with especial clarity the fascistic social content of the ideas he promulgates. And as a final consequence he does not forget to mention that his psychology can serve also to "free the socialist movement of the influence of dangerous and undesirable elements" (p. 283) whose "main tactic consists in fierce denunciations of parliament and labor leaders" (p. 282). Thus Osborn is aware that to carry out the "revolutionary" program he defends, it is necessary to liquidate the revolutionists, psychologically now, physically later.

UPTON SINCLAIR, "The Flivver King."

Station A., Pasadena, California. 119 pp.; 25c

Upton Sinclair is primarily a pamphleteer, and only incidentally a novelist. His novels are only the mediums for his message. His thesis does not rise out of the lives of his characters; rather, the lives of his characters; rise out of his thesis. Consequently, the careers of his people are quite often unnaturally distorted, as in this pamphlet, where the three sons of a Ford worker develop, respectively, into a gangster, a Babbit, and a militant labor organizer, and his novels, though marked occasionally by passages of eloquence and beauty, are little more than social tracts. Yet as a pamphleteer Sinclair has few equals.

It is his capacity for collecting data and offering them in readable form that makes Sinclair so able a propagandist. The author describes here how

the competitive struggle has warped a young, ambitious inventor into a vicious and miserly exploiter of men. From this outline of Ford's career, we carry away some interesting facts, not the least important of which are his $300,000 donation to the Nazi Party treasury, and his employment of "some of the worst gangsters of this city," to quote a mayor of Detroit, for the purpose of smashing all attempts to unionize the Ford workers, and of manhandling labor organizers.

But Sinclair's ability to amass and marshal data is not accompanied by a strength of insight and analysis. He still believes that the cause of crises is overproduction relative to purchasing power, and he still feels that capitalism can be voted out of existence. On all economic questions his approach is that of the middle-class mind.

And with this middle-class ideology Sinclair's behavior is quite consistent. Lacking a proletarian base, he has drifted into strange spheres for a socialist fighter. We need mention for illustration only his more flagrant behavior: his support of the first world was and his support and leadership of the Epic movement—a movement that was Utopian because, within the bounds of capitalism it would have operated industries in behalf of the workers, and that was fascist because it advocated government regulation of business by the state. Thus, in the two most critical periods of recent history —an imperialist war and an industrial crisis—Sinclair has done much to befuddle the workers.

Today, in this pamphlet, he supports Roosevelt and the C. I. O. and is apparently unaware that the measures sponsored by Roosevelt have only one purpose—the preservation of the profit system; and that the workers' movement "starting," to use his own words, "in a thousand different places, born of the workers' desperate needs" was led by the C. I. O. only to one end — the advancement of its leaders' ambitions. Like many another petty-bourgeois intellectual, Sinclair deserts to the enemy in the moments of crisis.

Apart from these lapses, Sinclair has been urging h u m a n i t y towards the socialist commonwealth for the past thirty-five years. For thirty-five years he has been throwing his paper missiles against the battlements of capitalism and crying against its outrages. Yet this one-man literary barrage seems to have left no impress on present-day America. The explanation for Sinclair's futility lies not in Sinclair or his works, but in the objective conditions. Sinclair himself is but an expression of a stage in American economic development that fostered the reformism characterizing the radical labor and union organizations.

Bruce Minton and John Stuart, "MEN WHO LEAD LABOR"
Modern Age Book; 1937, 270 pp. 35c

This book, containing short biographies of W. Green, J. L. Lewis, H. Bridges, D. Dubinsky, S. Hillmann and others, is written by two inspired Peoples Front politicians. The party line within the C. P. today is here clearly visible. Nothing that will commit the authors to any decisive stand is uttered. Editors of the **New Masses,** they support anybody who is willing, no matter how vaguely, to pay lipservice to the fight for democracy and against fascism, and who will lend his mouthpiece to the coming Farmer-Labor Party. The past of such people as J. L. Lewis is forgiven and forgotten and he is celebrated as the "Samson of Labor". The dramatization of the "leaders" is copied from the Russian example. The question of organization is of no greater concern than the choice between "good" and "bad" leaders; whoever fits in the prevailing political schemes of the C. P. is good, and is booked as progressive. The book serves well to demonstrate the fact that the present-day trade union movement in America, in all its different forms, does no longer fulfill the present not to mention the coming needs of the working class.

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WELCOME THE DEPRESSION

ONE of the latest cartoons of that intelligent artist, Wortman, shows a tailor saying to his employees, "They say this depression is psychological, but I feel it right down here in my stomach!" And so do the capitalists, even those who, together with John L. Lewis, spread the news about capital's "sit-down" strike against certain governmental measures. And so do the workers, who are laid off in masses, and who find their wages reduced because of fewer working hours. By now the pitiful "psychological approach" to combat the depression is forgotten; artificial optimism spent itself in the empty, friendly gesture of Roosevelt towards the businessmen, large and small.

What bewilderment everywhere! Each article in every business journal says just one thing: We know that nothing can be known. Ridiculous statements as to the future prospects of capital made recently by many financial experts are now shamefully excused with uncomfortable deadlines; and those writers with the shortest deadlines possible restrict themselves to the copying of some facts and the mumbling of non-committal statements. No real explanation, no serious suggestion; the readers understand every word, but not a single sentence.

Facts are not lacking. The London "Economist", the "Annalist" in New York, and innumerable business journals of lesser significance, not to speak of the many governmental publications cut down 100,000 trees in the Canadian Woods to tell their readers what is what. Let us raise Stuart Chase's anger to a higher pitch by participating in this exploitation of the natural resources.

From our point of view it is almost impossible to speak of a *new* depression, for we were convinced that the old one was still

in session when the new decline set in. But figures are against us, if figures mean anything. In the summer of 1937 *world* production exceeded the 1929 level by about 15 per cent if we include Russia, which we certainly do. However, this situation was shortlived; within three months, world production was again below the 1928 level. World *trade* never regained the position of 1929, and many individual countries, including the United States, never reached the pre-depression production level. Prosperity is like Stalin's "Socialism" — greater inequalities make for new accomplishments. The totalitarian countries were the busiest; the "democratic" countries, less successful in getting work for nothing, were less able to "create shortages in raw materials." Now however, the crisis may straighten out such injustices; maybe a war will help.

How did this new prosperity, which we failed to notice and which now suffers a recession, come about? *Arthur D. Gayer* provides us with an answer in "The New Republic" of Feb. 2, 1938. He says:

"The recovery which preceded this unusual crisis was a very strange one, too, and in certain respects not in accordance with the textbook rules. Normally, recovery starts from an increase in private investment and accelerated expansion of the capital-goods industries. This time large-scale government spending took the role of initiating the upswing. The hope that after a while increased demand from private sources would replace pump-priming sustaining a self-supporting and steady recovery was not fulfilled. The moment public expenditures for the purpose were stopped, the upswing stopped too."

This answer may not be all-inclusive, but it puts the emphasis in the proper place. In some parts of the world new private investments took place in the traditional manner. Private industry was partly able, by rationalization and technical improvements, to raise the productivity of their workers high enough within the depression to enable profitability and further expansion. However, the depression was largely "overcome" by what is now called "planning" by different governments, but which involves primarily money and credit manipulations. That is, capital was made profitable, and therefore productive by shifting the burden of the depression to other nations, or by taking from the "general public" and giving to the industrial entrepreneurs. Even granting that all factors working for recovery were working also in more or less modified form in the depression years up to 1932, it still remains obvious that all of the government's interferences were necessary to create an intermission in the crisis. The stimulus that production thus obtained, expressed materially in public works and armaments, could not change the acute crisis character of capitalism even during the upswing period. Only in a progressive accumulation of capital can a real recovery be seen; only when a progressively growing number of workers are employed can a new upswing be recognized. The absence of such signs during the entire "recovery" period explains our refusal to help celebrate the "new prosperity."

Of what did this prosperity consist? Industrial production in America improved in 1937 to a level 9.4 per cent below "normal". National income recovered even less than production. National income, according to U. S. Department of Commerce figures, paid out in 1937, approximated 67.5 billion dollars. This estimated 1937 total was half again as large as the 1933 aggregates of 45 billion dollars, but remained approximately 14 per cent below the 78.2 billion dollar level for 1929.

Compensation of Employees were,

in 1929	51,340	millions
in 1933	29,349	"
in 1937	44,983	"

Dividends, Interests, Entrepreneurial withdrawals, net rents, and royalties,

in 1929	26,886	millions
in 1933	15,606	"
in 1937	22,480	"

Accepting these insufficient figures, for there are no better ones, it becomes clear that there was no reason to speak of an end of the depression in 1937, even without considering the tremendous unemployed army which recovery was unable to reduce.

But, "if death is not too high a payment for one night spent in Paradise," there seemed to be reason enough to celebrate in 1937. In the "American Economic Review", June 1936, *Carl Snyder* declared:

"Perhaps the most striking feature of this depression has been a full six years arrest of that prodigious industrial growth which for well over a century was one of the outstanding characteristics of the country. This abrupt stoppage in industrial development has no parallel."

And then in 1937 new factories were built in the U. S. to the tune of $500,000,000, and raised new hopes as to the future, although the same activity in 1929 to the amount of $547,000,000 was not able to halt the depression, for it was not enough and at the same time too much — not enough for accumulation and too much for the stagnant situation. Then, according to the Federal Reserve Index, the volume of industrial production dropped once more from 117 in August 1937 to 84 in December, or 33 points in four months. The depression of 1929 needed 13 months to accomplish such a drop. Since January, the index dropped further but with less rapidity. At the moment of writing, it can be said that the downward pace of the decline has been temporarily halted, and that business is trying to stabilize itself on the new low level. But what a level! With more than 13 million out of work, with farm prices declining, with profits disappearing. And there are no prospects for an increase in new investment in the industries, and resulting capital goods expenditures have shown no material improvement since the end of the year.

Already the new decline has gripped other countries, especially Canada and England. British unemployment, according to figures just released by the Ministry of Labor, increased by

162,200 between mid-December and January 17. On the latter date it stood at 1,827,607 — the highest figure in 21 months. And worse than that, *Business Week* of Dec. 11, 1937 reports:

"Smart restaurants in London's lively West End are also beginning to feel the effects of the slump. Hot spots which were formerly busy every night are now getting not more than three good nights a week."

And this may be only a beginning. What the end might be was recently shown by Professor Woytinsky of the International Labor Office, who estimated that the depression between 1930 and 1934 represented a loss of about 176,000,000,000 old gold dollars, an amount equal to the total cost of the great war.

The present decline within the general crisis started like the depression itself. Bond prices declined at the end of 1936. Stock prices followed in March 1937. Short-time interest rates increased, wholesale commodity prices decreased. All the phenomena indicating insufficient profitability reappeared. There is no mystery here. Only an increased priming of the pump could have mitigated this process, but this policy also has its limits. Only by a further strengthening of "state capitalist tendencies" and greater misery for the "private economic sector" could the present dilemma have been postponed — but only postponed.

The new decline, having all the symptoms of the beginning of a long drawn-out period of depression has once more brought forward all the old suggestions and proposals which were previously found futile. There are again the demands for a further increase of mass purchasing power, raised mainly by the liberal and labor press. And this despite the fact, as was pointed out in the "Annalist" of Jan. 21, 1938, by *D. W. Ellsworth* that,

"The present depression has demonstrated once more, but in highly impressive fashion, the fallacy of the purchasing power theory of the business cycle. The country's mass purchasing power was never so high in the country's history as it was at the beginning of the present depression."

The "mass purchasing power" was created partly by the greater exploitation of workers and partly by the aforementioned governmental measures. Because they were restricted to a reshifting and crediting of the existing purchasing power, they served only to extend the prevailing misery. Born largely of such measures, the "mass purchasing power" was merely another factor hampering the reestablishment of a profit base for a real capitalist expansion. The *necessity* of such measures does not alter the fact that this necessity excluded that other necessity — the rentability of the exploitative enterprises. Against such measures, therefore, private capital fought under such slogans as, Balance the Budget, Abolish Regimentation, Oppose Labor Legislation.

Capital is not a unit operating according to a single necessity. The single necessity, that is the maintenance of the capitalist exploitative relations, is realized only by continuous strife among the capitalists themselves, nationally and interna-

tionally, and between capital and labor and the other classes. Within this general strife, the demand for mass purchasing power is only one element working towards the final necessity of securing capitalist relations. When applied, it has served always purposes entirely different from what its apostles intended. Temporary "losses" culminated in final "gains", and thus the phrase "mass purchasing power", used by liberals, was actually an ideological instrument of capital to ease the process of decreasing purchasing power.

We will not suggest that the workers' struggle for higher wages and more relief is senseless in present-day capitalism. However, it is necessary to say that the higher the purchasing power of the masses is in relation to total production, the greater are capital's difficulties in overcoming its depression and in maintaining its society. Precisely for this reason we suggest the continuous struggle for better living conditions. The "reformists" expecting a prosperity from an increase of mass purchasing power alone show thereby that they are merely out to reform capitalism. However, the only capitalist reform objectively possible today is the fascist reform. A recent pamphlet by *Dr. H. Schneider* on "Socialist Strategy on the Economic Front", published in London, said:

"The working class movement must take as its starting point in the struggle the recognition of the fundamental importance of mass-purchasing power as a means of overcoming the crisis."

This is simply nonsense; mass purchasing p o w e r is of fundamental importance in overcoming capitalism, not its crisis, but then questions of purchasing power lose all their meaning. For the truth of the matter is that there are only two ways of overcoming crisis and depressions. One is by overcoming the capitalist system as such; the other (with only temporary results) by overcoming the resistance of the workers to lower and still lower standards of living. Whoever wants to operate exclusively within the boundaries of capitalism will at last be forced to recognize this truth and will help to overcome the resistance of the workers. For this reason John L. Lewis, for instance, drew back before the steel industry and celebrates, although with a sour face, a contract which has lost all right to such a name. For the renewal of the steel workers' contract was secured only because its signers don't know yet which way the depression will go and what measures the government will use to combat it. If deflationary tendencies assert themselves, the "contract" may be cancelled within 10 days notice. If inflationary measures are applied, it will be a seal under a verdict of lower living conditions for the workers. And Lewis had to sign, unless he wanted to oppose the system as such, and call for strikes for the sake of striking. As a matter of fact, all theoreticians of the mass purchasing idea, are always ready to grant, at least in some cases, as for example in the building industry, that prices and wages are too high. From the discovery that *some* wages are too high to the recognition that *all* wages need cutting is only

one step. And in reality all practical measures undertaken according to the mass purchasing theories have led always to a further reduction of that buying power. In the course of time however, the economic theory of mass purchasing power is no longer open to a discovery of its real content, for it ceases to be an economic theory and becomes the political necessity to demand guns instead of butter. All undercomsumption theories will be sacrificed for the honor of the Nation.

Till then, however, the arguments will continue, but all will agree, as the Business Letter of the National City Bank of New York pointed out in Dec., 1937:

"One of the first needs in the current situation is to encourage the formation of capital."

The question is only how to do this. And the answer, if found, bears still another question, as capital formation has led always to crisis and depressions. The "solution" looks for a solution. For this reason those who are afraid of the future lament:*

'Free competitive enterprise cannot endure in an atmosphere of national economic planning — once the government embarks upon partial control it must inevitably proceed to full control."

And those still more fearful of the future either accept this "full control" or long for the return of the past. The "New Republic" of Feb. 16, 1938, carries an article pointing out that progress by way of free competition will have to count in the steel industry alone — by the introduction of continuous strip mills — with 85.000 displaced victims. What shall be done with these additional unemployed? And the Council for Industrial Progress paradoxically reported in the *New York Times* (8/8/37):

"Are not the very efficiencies of our ever-increasing productive ability of such a nature that it is questionable whether we can come out of future depressions by placing our dependence solely on the operation of "natural economic forces"?

Yes, replies the Machinery Industry in the aforementioned pamphlet: "What America wants is stiffer competition and lower prices". And General Motor's *Mr. Knudsen* agrees:**

"Somebody has to reduce prices if business is to be encouraged,... at the present time it is actually being done in a kind of bootleg fashion... shopping in New York today is like shopping in an Oriental bazaar."

True, reflects Roosevelt in his recent message dedicated to the problems of the "recession", some prices are too high, others are too low; but "further expansion, more abundance, depends on balanced prices". The price of labor has to come down if prices shall be lowered; the price of labor will be lowered if prices rise. Which ever way you put it, price policies can only reflect what underlies all prices and their movements: The question of how much of social production, in its miserable

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*) "The Case for Freedom from Federal Control of Wages and Hours. Machinery and Allied Products Institute, 1938, p. 13.

**) The Christian Science Monitor (1/11/38)

capitalist forms and results, shall go to the workers and how much to the non-workers. The latter have here the advantage, for they do the regulating. A balancing of prices can have no other object than to balance the exploitation of the workers with the needs of capital. If the 'rugged individualists' still believe they can do this themselves and profit by their own effort, other capitalist groups and the government hold necessary a central regulation of the distribution of the wealth created by the workers and a further control over investments. A free-for-all exploitation is challenged by a carefully planned exploitation; the power of the money bag is to be increased by the wisdom of government. That even under such conditions competition proceeds to assert itself, and that the wisdom of government, as in Germany for instance, liquidated many Jewish capitalists, and in America many of the weaker entrepreneurs, lies at the base of all arguments against regimentation. For those people in favor of stiff competition know quite well that the "elimination" of competition is only a form of competition to which they are sacrificed.

Contrary to Ben Akiba, nothing appears twice. Those people who believe that the "new" depression will warm up once more the inconsistencies of the "New Deal" are mistaken. Those who believe in a "second" bloodless revolution by Roosevelt in "favor of the masses" will be disappointed as Roehm was when Hitler let him have it. For those measures applied by the Roosevelt Administration have so far spent themselves without avail. Sharper measures must follow, but no longer in the old direction, for as long as business can be "attacked" the government may divide and rule. But if business and government are more and more identical the government would have to attack itself to divide and rule. It will forget about dividing and will only rule. Glumly Professor *Lionel Robbins* of the London School of Economics says in the *Annalist* already quoted:

> "In most cases the very expedients which have been adopted in the last depression have weakened the capacity to stand depression anew. Currency depreciation, unbalanced budgets, vast programs of public spending-these are the measures with which trade has been stimulated in the recent past. And it should be clear that they cannot be applied indefinitely... Thus the underlying position is not stable; and a renewal of prolonged depression... is likely to be attended with very grave consequences. It is no exageration to say that the fate of democratic institutions may rest with those who have it in their power to bring about a revival of confidence."

— which would mean in the hands of the governments; but their answer lies not in the direction Professor Robbins hopes for; the democratic forces will in the end be forced, as Roosevelt remarked recently, to "take the place of dictation."

There are two futures, the distant and the immediate. But both are dependent on the reestablishment of capital rentability, regardless of whether this capital is controlled by individuals, trusts, or governments. Existing differentiations in economic and political power will allow the possibility of robbing Peter to

give Paul for some time to come. But this process will finally pauperize both. The problem is not one of the division of spoils, but of the creation of greater and always greater profits. But the immediate necessities of all capitalists lead to only one end — the progressive destruction for all time to come of the base of the profit system. The Dead End sign on the road of capitalism is already in sight, during its periods of prosperity as well as depressions. And we are happy about it. An end of capitalism though full of terror, is better than terror without an end. Therefore we welcome the depression.

"A BIRD IN THE HAND"

Thurman W. Arnolds "The Folklore of Capitalism"

Yale University Press, 1937. 400 pp. $3.00

A few months after its publication **The Folklore of Capitalism** was already in its third printing. Seldom has a book of its character found in so little time such a wide audience, and seldom so many favorable reviews. Though it is very interestingly and often highly entertainingly written, this praise of the book is not due to what is described as its specific literary charm, but to its debunking attitude, which pleases large layers of intellectuals who don't like to be bothered by any kind of commitment, so that they may play the game of opportunism unrestricted. Using the Manager's formula presented in Goethe's Faust in the Prelude at the Theatre, "Who offers much brings something unto many, and each goes home content with the effect," Arnold is able to interest almost everybody concerned somehow with the problems of society. To do this most successfully he rejects the Poet and holds with the Merry-Andrew:

> "Posterity! Don't name the word to me!
> If I should choose to preach Posterity,
> Where would you get contemporary fun?

To judge from the enjoyment Arnold apparently derived from his debunking enterprise, his reviewers must have made him laugh very heartily. Re-printed on the jacket of the "Folklore" is Alfred M. Bingham's opinion that the book, "Will be as much revered as we now revere Darwin's "*Origin of the Species.*" Fred Rodell in the "New Republic" thinks, "that Mr. Arnold has his fingers on something miles ahead of Marx — in maturity, acceptability, and especially, usefulness." And one Trotskyite, trying to imitate Arnold's style, writes in the "New International": "Here is an anthropological analysis, admirable for its scholarly objectivity, of a strange and interesting tribe inhabiting the central portion of the North American continent, etc. etc. However, all Arnold wants to show is the difference between ideology and reality. Or as he states, "by the **folklore of capitalism,** I mean those ideas about social organizations which are not regarded as folklore but accepted as fundamental principles of law and economics". That is, he **restates** observations made long ago, which today would (if they could) already be commonplaces, and which were described in fiction and science more than often. Although the reviewer in the "New Republic" doesn't know it, Marx has shown 70 years ago why the ideologies of the present exploitation society are practical and in existence though they don't correspond to reality. But this is of no importance; a re-statement of known facts and observations will never hurt, especially when offered in such a readable form as Arnold's. The readability of the book, by the way, is due to his using the age-old trick of amusing the present with the "shortcomings" of the past.

We have already stated the main theme of the book: The current ideas in society don't correspond to the prevailing practice, though this practice is carried on, and in one sense is possible only because of such ideologies. The material side of society changes faster than its complementary ideology, and this causes conflicts, which are temporarily resolved in a repetition of this whole situation on a new plane. Nothing is easier than to show that society never does and never can live up to once accepted ideas; that tradition hampers the recognition of changing realities; and that society changes in spite and because of a false consciousness on the part of its members.

As society is made up of many differently interested groups and individuals, it could not function, as it does, without somehow unifying ideologies. So far, the ideologies were fostered consciously only to a small extent and were largely the result of general and specific conditions beclouding the real social relations. The socio-economic basis of society explains the ideological and emotional phenomena Arnold describes with the concept "social psychology". However, he is satisfied with the social psychological side of the conduct of men. That his explanation of social phenomena is itself in need of explanation lies outside his interest. The conflicts in society, reflected in the conflict of ideas, are not referred to **specific** class conflicts (despite his pragramatic attitude), but are explained by Arnold as caused by the discrepancy between actual needs for mankind in general, and the limitations set by attempts to follow traditional patterns and symbols.

And so it can be said that in more than one sense Arnold's book belongs to the category of late successes in the up-lifting literature like "How to worry successfully", "Life begins at 40", "Live alone and like it", etc., it tells its readers to accept unalterable situations without much fuss. Social organizations have always changed, and traditional thinking was at first always strongly opposed to such changes, only to be defeated eventually. The inevitable has to be recognized and to be accepted, and it doesn't matter if the inevitable is fascism or communism. There is no use lamenting against the growing power of the trusts, against Roosevelt's "socialism", against an unbalanced budget, or against the CIO; these phenomena are justified by their existence. If you don't like them yet, you will eventually; so why bother, why argue, why lose sleep over such matters?

If, from a reactionary or revolutionary point of view, one should oppose the present reality and its ideological expression, he will fail to rally supporters to his side if he restricts himself to appeals to the intelligent and understanding "thinking man". For the latter is a non-existing abstraction. Society is determined solely by every-day needs, which cannot be delayed, and only organizations fostering those needs and their ideologies will have success. The "needs" of the future are nothing but dreams. The day belongs to the realist who prefers the bird in the hand to the two in the bush; the dreamer can only be his servant. And so the actual "usefulness" of Arnold's book, of which the reviewer in the "New Republic" speaks, consists of an intelligent support of the Roosevelt policy, which once more explains the success of the book, owing to the present unity from Hearst past Roosevelt to Browder. It is also "useful" insofar as it tells the workers, who read the book, indirectly that they may as well cling to the Roosevelt bandwagon, for there is nothing else to do, and it presents to them Lewis's CIO as an excellent example of a timely realism.

It is true that Arnold refuses to preach, to propagandize, and that he wants only to state his observations regardless of what others may make of it. But what he wants and what he does are also two different things. The effect of the book, if it has any, will tend to support the forces in power, whatever they might be... That the problems of the workers are not as yet identical with the problems of society, that what may be extremely timely for society may also be extremely foreign to the interests of the workers, never occurs to him. To start and to stop an investigation of capitalism solely on the basis of the 'discovery" that the prevailing ideas don't correspond to reality lead only to the appearance that the author approaches reality. He

looks under the shell as well as at it, but still he misses the meat it covers.

The statement of "usefulness" made by the already mentioned reviewer must have amused Arnold particularly, for he himself is convinced of nothing more than the uselessness of his "discovery" in practical life. He cannot conceive of a replacement of folklore with a real insight, but only of an exchange of one folklore with another. To justify somehow the writing of his book, he has nothing more to say than that he has "a feeling" that the replacement of the present folklore of capitalism (as that, for instance, expressed in the illusion that we still live under private property relations and that the Constitution is "a charter of positive government") with the other folklore, expressed in the "worship" of a single personality" may be prevented by a third possibility, which however will mean no more than "to modify the bitter clash of extreme positions", if our "priesthood" gains a better insight as to what is really necessary and what preventable. In other words, and disregarding the fine expressions which Arnold used to say such simple things as bourgeois democracy and bourgeois fascism, all that he can conceive as useful by the recognition of the difference between reality and ideology as presented in his book, is that a few intellectuals try to reconcile the coming American fascism with the superstition of the past and the present to avoid unnecessary noise. And expressed still more simply, what Arnold wants to say is that those people who want to prevent fascism must become fascists in order not to be replaced by fascists. "I have no doubt," he writes, (p. 393) "as to the practical desirability of a society where principles and ideals are more important than individuals... Yet the belief that there is something peculiarly sacred about the logical content of these principles, that organizations must be molded to them, instead of the principles molded to organizational needs, is often the very thing which prevents these principles from functioning. The greatest destroyer of ideals is he who believes in them so strongly that he cannot fit them to practical needs." How realistic Arnold is here becomes clear when we merely take notice of the fact that the European socialistic movements have become nationalistic and present a fascistic program in competition with the real fascists, as an indication that they have learned long before the appearance of Arnold's book that if you want to function in capitalism you have to be in step with capitalist "progress". In times where the professional pacifists become the greatest war-mongers, as at present in America, it is obvious that Arnold's suggestions only reflect present-day reality. This means that Arnold thinks that the recognition of the folklore of capitalism as springing out of capitalist relations, will lead to the possibility of manufacturing new folklore more in step with the needs of the present. The planless folklore will be replaced by planned ones, for he is convinced that "Men cannot fight over practical things." (p. 336). "Institutional creeds, such as law, economics, or theology," he says (p. 356), "must be false in order to function effectively." But he says this only to safeguard his readers from the misery of disappointment. The old truth that one has to strive for the impossible to reach the possible, that the general and the specific can never be divorced, is restated with an eye to the defense of the present, which will always be imperfect and still be the only thing worth living for. So he accepts Mussolini and Hitler without denying their "bad sides" and he supports Stalin against Trotsky as the realist against the dreamer. And really one might as well spare himself all indignation with the present or the future rulers of society. There is no reason to become excited because present needs oppose cherished ideas. "What was called heresy in the Middle Ages is called Communism today, but the essential ideology of the argumentative attack, then and now, is identical." (p. 3). Why cry, he argues, about attacks on private property, which is already a fiction because of the development of trusts and state capitalists enterprises? The whole social question is one of systems of governments and of changes of terms. "If the rise of new organizations is slow, the terms will change their meanings, rather than be supplanted by new terms. Capitalism will become "socialistic" in a slow revolution. In a more violent one, 'Capitalism' will be

supplanted by 'Socialism' and then in the period of stabilization 'Socialism' will gradually become 'capitalistic'. This is what is happening in Russia" (p. 341) Arnold forgets to add to the statement — if one accepts the folklore of Russia's 'Socialism'.

Arnold's "philosophy" as a practical guide can have meaning only on the assumption that the "necessary" and "practical" are also possible. To show consistency in his thinking he is continuously forced to speak in non-capitalist terms to prove to the capitalist mind that it is not in conformance with reality. "The holy war between Capitalism, Communism, and Fascism", he says (p. 14) "is one of the greatest obstacles to practical treatment of the actual day-to-day needs of the American people. Even agricultural credit and soil conservation become tainted with Communism." If the objective reality were known to him, he would see that not the ideological battles hinder the fulfillment of practical needs, but the impossibility of a fulfillment of the practical needs leads to those ideological battles. Because the "people" are trying to live up to the philosophy of "the bird in the hand" they are forced, under present conditions, to defend all existing folklores and create all kinds of dreams. Here it is not a question of a poor adjustment to reality on the part of the stupid, the religious, the tradition-handicapped, but a question of life and death in the present, and this in spite of the fact that such may also be the case under less stressing circumstances. Instinctively or consciously the economically out-dated know or feel that their particular position in society is bound up with a particular ideology, and that if the latter is threatened the former is also challenged. To make this necessity of being reactionary appear ridiculous in the eyes of those who understand, Arnold ascribes to the present miserable society the possibility of satisfying the material needs of mankind. He assumes that if it were only properly organized, present day society could fulfill the real needs of the day, that with a different distribution of goods the idiocy of slogans opposing social security measures and similar necessary improvements would become apparent. He does not see that these up-to-date policies are an expression of the objective impossibility of solving by mere organizational changes the problems of society on the basis of a restriction to a "bird in the hand" philosophy. What can be done by organizational changes is a different distribution of the growing misery. To give those more who have little or nothing implies giving those less who have still enough or too much. But as soon as one gets less, his past and present position in society and his future in it are threatened, he is slipping, is on the downgrade, and will rally to defend his own, and this is possible only by fighting those practical necessary changes, which the understanding one holds necessary, and its ideological expressions. As there is no possibility, without revolutionary change, of developing organizations capable of satisfying urgent needs, it is obvious that without such revolutionary change the struggle for the diminishing product of society, and with this the ideological struggle, will increase, and will exclude more and more the maintenance of society even on a progressively miserable basis. The forces interested only in the "bird in the hand" philosophy will have to counteract this growing chaos by a forcefully manufactured "unifying" totalitarian ideology, which will exclude even the possibility of "discoveries" of contradictions between ideas and reality. And of this, Arnold is afraid, although he hides his fear by an amused nonchalance, and he hopes, however dimly, that the "understanding" he provides may "at least tend in the direction of preventing anger and excitement in government which destroy practical judgment." (p.393)

Despite all this, Arnold's book may be recommended precisely for its "bird in the hand" attitude. But still the question remains: — what is this bird in the hand? With a remarkable clarity Arnold shows, for instance, that Norman Thomas' party is not such a bird, but with equally remarkable obtruseness he sees the feathers of such a bird on Lewis's C. I. O. In other words, the bird in the hand for him is always what he thinks is practical today. If the C. I. O., for instance, organizes the workers to make them more

capable of fighting backward orientated capitalists, it also regulates the workers to the will of its bureaucrats. They cease partly to be the victims of capitalists in order to become victims of union leaders. It remains to be shown that the unionization of workers in the C. I. O. manner actually allows for better living standards under the **present conditions of society.** If this can be demonstrated Lewis will be the "bird in the hand" regardless of what kind of ideology he may peddle. But if it can be proved that no real material gain results from this unionization, then the C. I. O. cannot be regarded as a "bird in the hand' policy but another folklore. However, Lewis and his C. I. O. may still be an expression of the actual needs of the time, but not for workers. But Arnold was not thinking of the workers. And so it is with all other problems in society. What may appear as a "bird in the hand" engaging people in all kinds of activity may be in reality an illusion hindering the fulfillment of practical needs. A propaganda for the fulfillment of the apparently most direct actual needs, objectively impossible without revolutionary changes, may lead to the postponement of the fulfilment of those needs because of a refusal to demand more that the "bird in the hand". The maximum demand may be the only realistic minimum demand. For this reason the revolutionary worker must continuously investigate and reinvestigate conditions, must continually distinguish between wnat is to be regarded as a "bird in the hand" and what only appears as such. This already means that he has to coordinate his activity of today with his recognized needs of tomorrow. He has to reject the one sided emphasis prevailing in Arnold's book and has to be both at the same time — a man of principle and a man of action.

THE MARXIST IDEOLOGY IN RUSSIA.

> Communism, for us, is not a state of things to be established nor an ideal to which reality must adapt itself; we call communism the actual movement which transforms existing conditions. (Marx)

WE have to deal here with an especially pointed example of the striking discrepancy which in one form or another is noticeable in all phases of the historical development of Marxism. It may be characterized as the contradiction between the Marxian ideology on the one hand, and the actual historical movement which, at a given time, is concealed beneath that ideological disguise.

It is now almost a century since a special censor dispatched from Berlin to supplant the local authorities of Cologne in the difficult task of garroting the "ultra-democratic" paper edited by the 24 year old Karl Marx, reported to the Prussian government that the *Rheinische Zeitung* might now safely be permitted to continue as the "spiritus rector of the whole undertaking, Dr. Marx", had definitely retired from his job and there was no possibility of a successor capable of keeping up the "odious dignity" hitherto achieved by the paper or of "prosecuting its policy with energy". That advice, however, was not followed by the Prussian authorities who in this matter were directed, as has now become known, by the Russian Tsar Nicholas I whose vice-chancellor, Count de Nesselrode, had just then threatened the Prussian ambassador in Moscow to lay before His Imperial Majesty's eyes "the infamous attack which the Rheinische

Zeitung, published at Cologne, had recently made on the Russian cabinet". That happened in Prussia, 1843.

Three decades later, the censorship authorities of tsarist Russia herself permitted the publication in Russia of Marx's work — the first version of *Capital* ever to appear in another than the German language. The decision was based on this precious argument: "Although the political convictions of the author are entirely socialist and although the whole book is of a definitely socialist character, the manner of its presentation is certainly not such as to make the book open to all, and in addition it is written in a strictly mathematically scientific style so that the committee declares the book to be immune from prosecution."

That tsarist regime which was so eager to suppress even the slightest offence committed in any European country against the Russian supremacy, and so utterly careless as to the dangers implied in Marx's scientific exposure of the capitalistic world as a whole, was in fact never touched by the fierce attacks directed by Marx in all his later career against the "immense and unresisted encroachments of that barbarous power whose head is at St. Petersburg and whose hands are in every cabinet of Europe". Yet it was to succumb to just that apparently altogether remote menace which had invisibly lurked in the Trojan horse inadvertently admitted into the precincts of the Holy Empire. It was finally thrown over by the masses of the Russian workers whose vanguard had learned its revolutionary lesson from that "mathematically scientific" work of a lonely thinker, *Das Kapital*.

Unlike Western Europe — where the Marxist theory arose in a period when the bourgeois revolution was already approaching its close and Marxism expressed a real and actualized tendency to pass beyond the goals of the bourgeois revolutionary movement, the tendency of the *proletarian class* — Marxism in Russia was from the beginning nothing more than an ideological form assumed by the material struggle for putting across the capitalist development in a pre-capitalistic country. For this purpose Marxism was taken up greedily as the last word of Europe by the entire progressive intelligentsia. Bourgeois society fully developed in Western Europe was here just in its birth pangs. Yet on this new soil the bourgeois principle could not make use, once again, of those historically outworn illusions and self-deceptions with which it had concealed from iself the restricted bourgeois content of its developmental struggles in its first heroic phase in the West, and had kept its passions to the level of great historical events. For penetration into the East, it needed a new ideological costume. And it was just the Marxist doctrine taken over from the West which seemed to be most able to render the growing bourgeois development in Russia that important historical service. Marxism was far superior, in this respect, to the native Russian creed of the revolutionary Narodniki (populists). While the latter started

from the belief that Capitalism as existing in the "unholy" countries of the West was impossible in Russia, Marxism, by reason of its own historical origin, presupposed a fully accomplished capitalistic civilization as a necessary historical stage in the process of the ultimate realization of a truly socialist society.

Yet in order to render the rising bourgeois society in Russia such ideological mid-wife service, the Marxist doctrine required a few modifications even in its purely theoretical contents. This is the basic reason for the considerable theoretical concessions, otherwise hard to explain, which Marx and Engels in the 70's and 80's made to the set of ideas, essentially quite irreconcilable with their theory, that up to then had been held by the Russian populists. The final and most comprehensive form of those concessions is contained in the well-known oracular statement of the **Foreword** to the Russian translation of the **Communist Manifesto** (1882):

> The object of the Communist Manifesto was to proclaim an inevitably impending dissolution of present-day bourgeois property. In Russia, however, we find by the side of the capitalist order which is developing with feverish haste and by the side of bourgeois landed property which is as yet in the process of formation, the larger half of the land owned by the peasants in common.
>
> Thus arises the question. Can the Russian peasant community in which the primitive common ownership of the soil subsists, although in a stage of already far advanced disintegration, be immediately transformed into a higher and communistic form of landed property, or must it previously go through the same process of dissociation which is represented in the historical development of the West?
>
> The only possible answer to this question at the present time is the following: — If the Russian revolution becomes the signal for a workers' revolution in the West so that the two supplement each other, then the present-day Russian system of common ownership can serve as a starting-point of a communistic development."

In these sentences, and in numerous similar utterances occurring in their correspondence, in the letters to the Russian populist writer Nikolai-on, in the letter to Vera Sassulitch, and in Marx's reply to a fatalistic interpretation of his theory of necessary historical stages by the Russian critic Michaelovski, there is already anticipated in a way the whole of the later development of Russian Marxism and thus also the ever widening gap between its ideology and the actual historical content of the movement. It is true that Marx and Engels qualified their acknowledgment of the intrinsic socialist possibilities of existing precapitalistic conditions in Russia by the cautious proviso that it was only together with a workers' revolution in the West that the Russian revolution might skip the capitalist stage and pass from the prevailing semi-patriarchal and feudal conditions directly to socialist conditions. (The same proviso was later repeated by Lenin.) It is also true that this condition was not fulfilled (neither then nor after October 1917) and that, on the contrary, the Russian peasant community to which Marx as late as 1882 attributed such a powerful future role, was shortly

afterwards completely wiped out of existence. Yet it cannot be denied that even such apparently anti-Marxian slogans as the recent Stalinist "theory" of building up socialism in one country, misusing Marxism as an ideological cloak for a development which in its actual tendency is capitalistic, can appeal not only to the precedent set by the orthodox Marxist Lenin, but even to Marx and Engels themselves. They, too, had been quite prepared, under certain historical conditions, to remould their critico-materialistic "Marxist" theory into a mere ideological adornment of a revolutionary movement which claimed to be socialistic in its ultimate tendency, but which in its actual process was inevitably subject to all sorts of bourgeois limitations. There is only this difference, and a remarkable difference indeed, that Marx, Engels and Lenin did so in order to promote a future revolutionary movement while Stalin definitely applied the "Marxist" ideology for the defence of a non-socialistic status quo, and as a weapon against every tendency of revolutionary realization.

And so began — actually during the life-time and with the conscious and active collaboration of Marx and Engels — that particular historical **change of function** through which Marxism, adopted as a ready-made doctrine by the Russian revolutionists, was in the further development transformed from a theoretical tool of a proletarian socialist revolution into a mere ideological disguise of a bourgeois-capitalist development. As we have seen, that change of function implied from the very outset a certain transformation of the doctrine itself which in this case was achieved through a mutual interpenetration and fusion of the traditional populist creed and the newly adopted Marxist ideological elements. Though that transformation of the Marxist theory was at first admitted by Marx and Engels (as they imagined) as a transitory step only, to be retraced by the imminent "workers' revolution in the West", it soon turned out to have been in fact the first step toward the permanent transformation of their revolutionary Marxist theory into a mere revolutionary myth which could at the utmost work as an inspiration for the first stages of a beginning revolution but in its final outcome was bound to act as a brake upon the real revolutionary development rather than as its furtherance.

It is a spectacle worth noting, the way this historical process of ideological adaptation of the Marxist doctrine has been worked out during the following decades by the different schools of the Russian revolutionaries themselves. It may be safely said that in those violent debates on the perspective of the *capitalist development in Russia* which were waged in the closely restricted circles of the Russian Marxists at home and in emigration from the 90's to the outbreak of the war and to the overthrow of the tsarist government in 1917, and which have found their most important theoretical expression in the principal economic work of Lenin, *The Development of Capitalism in Russia* (1899), the

true content of the original Marxian theory as a theoretical form of an independent proletarian and strictly socialist movement was, in fact, no longer represented by either side. This is certainly true with regard to the so-called "legal Marxists" who in their "scientific" exposition of the objective aspect of the Marxist doctrine boasted of a particularly unadulterated "purity", but abundantly made up for t h a t doctrinal righteousness by utterly abandoning all practical consequences of the Marxist principles which might possibly pass beyond the restricted bourgeois goals. Nor was the whole of the revolutionary Marxian theory represented by other currents which during that period sought to combine in one form or another a recognition of the transitory necessity of capitalist development in Russia with an anticipated ultimate struggle against the future conditions of society which were to be created by that very development. Here belongs the above-mentioned learned populist writer Nikolai-on, the Russian translator of *Das Kapital*, who in the early 90's, under the direct influence of the Marxian doctrine, made the transition from the orthodox populist belief in the absolute *impossibility of capitalism in Russia* to the Marxistically revised populist theory of the *impossibility of a normal and organic development of capitalism in Russia.* Here belongs too, the lusty materialistic opponent of populist "idealism", the orthodox Marxist Lenin, and his followers who in the later period, after their break with the Western-minded "Mensheviks" claimed to be in their theory as well as in their practice the only true inheritors of the entire revolutionary contents of Marx's theory as revived and restituted in the doctrine of *Bolshevist Marxism.*

When from our present vantage point reached by historical experience we look back at the heated theoretical disputes of that earlier phase there seems to be a quite obvious relationship between the populist theory of the "impossibility of a normal and organic development of capitalism in Russia" (as represented by the Marxian Narodnik Nikolai-on and combated at the time by the Marxists of all shades, the "legal" as well as the "revolutionary", the Mensheviks and Bolsheviks) on one side, and the two mutually opposed theories which in a recent phase of the development of Russian Marxism faced each other in the form of a ruling "*Stalinism*" and an oppositional. "*Trotskism.*" Paradoxically enough, both the prevailing "national-socialist" theory of Stalin as to the possibility of building up socialism in one country, and the apparently diametrically opposed "internationalist" thesis, set up by Trotski, of the inevitability, of a "permanent" revolution —that is, of a revolution passing beyond the bourgeois revolutionary goals simultaneously on the Russian and on the European (or the world-wide) scale — rest on the common ideological basis of a neo-Narodnik belief in the absence or impossibility of a "normal and organic" development of capitalism in Russia.

Both Trotski and Stalin base their versions of the Marxist ideology on the authority of Lenin. Indeed, even the most orthodox of the orthodox Marxists who had fought a bitter struggle both against the Narodnikism of Nikolai-on and against the Parvus-Trotskist theory of the "permanent revolution" before October 1917 and who, in the same way, had most consistently opposed after October the then prevailing tendency to glorify the meager achievements of the later so-called "War-Communism" of 1918-1920, concluded that life-long fight for critico-revolutionary realism by upholding at a decisive moment the neo-populist concept of a home-made Russian socialism against the actually prevailing conditions. Within a few weeks those who had opposed the socialistic idealization of the first years and who at the first announcement of the NEP of 1921 had still quite soberly declared this "new economic policy of a worker's and peasant's State" to be a necessary step backward from the further going attempts of War-Communism, discovered the socialistic nature of State capitalism and a cooperatively tinged yet essentially bourgeois economy. Thus, it was not the Leninist epigone Stalin but the orthodox Marxist Lenin who, at that historical turning-point of the revolutionary development when the hitherto undecided practical tendencies of the Russian Revolution were "seriously and for a long time" directed to the restoration of a non-socialistic economy, at the same time added what he then deemed to be an indispensable ideological supplement to that final restriction of its practical aims. It was the orthodox Marxist Lenin who in opposition to all his earlier declarations first set up the new Marxist myth of the inherently socialist character of the Soviet State and of the thereby basically guaranteed possibility of a complete realization of socialist society in an isolated Soviet Russia.

This degeneration of the Marxian doctrine to a mere ideological justification of what in its actual tendency is a capitalist State and thus, inevitably, a State based on the suppression of the progressive revolutionary movement of the proletarian class, closes the first phase of the history of the Marxist ideology in Russia. This is at the same time the only phase during which the development of Marxism in Russia seems to show an independent character. Yet it should be pointed out that from a more comprehensive view-point, in spite of appearances and of many real differences caused by the specific conditions prevailing at different times in different countries, the historical development of *Russian Marxism* (inclusive of its last Leninist and Stalinist stages) is essentially the same as that of so-called *Western (or Social Democratic) Marxisn* of which it really was and still is an integrating, though at present outwardly detached component. Just as *Russia* never was the unique and holy country as dreamed by the Panslavists, and **Bolshevism** never was that crude and backward form of a pseudo-Marxist theory corresponding to the primitive conditions

of the tsarist regime as it was represented by the would-be refined Marxists of England, France, and Germany, so the *bourgeois degeneration of Marxism in Russian today* is in no way essentially different from the outcome of the series of ideological transformations which during the war and post-war periods and, even more visibly, after the ultimate annihilation of all former Marxist strongholds by the unopposed advent of Fascism and Nazism, befell the various currents of so-called Western Marxism. Just as the "national socialism" of Herr Hitler and the "corporative state" of Mussolini vie with the "Marxism" of Stalin in an attempt to invade, by the use of a pseudo-socialist ideology, the very brains and souls of their workers as well as their physical and social existence, so does the "democratic" regime of a People's Front government presided by the "Marxist" Leon Blum or, for that matter, by Mr. Chautemps himself, differ from the present-day Soviet state not in substance, but only by a less efficient exploitation of the Marxist ideology. Less than at any previous time, does Marxism today serve as a theoretical weapon in an independent struggle of the proletariat, for the proletariat and by the proletariat. A l so-called "Marxist" parties, both theoretically and in their actual practice, appear deeply engaged in contributing, as minor partners of the leading bourgeois protagonists, their modest share to the solution of the problem which the American "Marxist", L. B. Boudin, quite recently called "the greatest problem in Marxism, — our relation to the internal struggles of capitalist society."

l. h.

THE SIMPLE AND THE COMPLEX

Simple concepts are necessary at first to make a scientific reflection possible. When analyzing complex, coherent conditions one must, at the outset, avoid everything that may unnecessarily complicate the situation. Science is inconceivable without abstraction. Or, we can say with Liebermann: to understand is to omit. In other words, to comprehend the essential, it is necessary to exclude the unessential. How does natural science proceed in this respect? An example from physics may elucidate the subject. The law of the pendulum says that the period of oscillation of a so-called "mathematical pendulum" is dependent only upon its length and the acceleration due to gravity at the respective geographical location, provided that the angle of displacement of the pendulum does not exceed 5 degrees.

An abundance of abstractions! In reality, such a thing as "mathematical pendulum" does not exist; it is nothing but a scientific construction — namely, a point mass suspended by a weightless thread. There exists no point mass that is limitless in expansive force, neither is there a "weightless" thread. The "mathematical pendulum" is a mere theoretical structure, a fiction. We must ask then, if the law of he pendulum is based upon fictitious assumptions, of what value could it possibly be? The answer is, it all depends on the right application. Every real (physical) pendulum — requiring, besides, consideration of the air-resistance — could be conceived of numerous

mathematical pendulae, and the period of oscillation could be figured out mathematically, based upon the said simple law of the pendulum.

The same scientific principle is applied in Marxism: starting with simplified assumptions, factors more and more complex enter into consideration which were at the beginning arbitrarily eliminated. Marxism starts, so to speak, with a mathematical pendulum, which means that it regards capitalist economy as an isolated process: without the existence of non-capitalist regions, without modification through foreign trade, without capital export, etc. It is viewing reality "as if", comparatively speaking, it sought to arrive at the law of the pendulum. We know, of course, that present-day economy does not solely consist of capitalists and workers; that commodities do not sell at their value — the value based upon the socially necessary labor time — and that the value of money must not be taken as constant. And thus it is obvious for every scientific thinker that with these fictitious assumptions one is going away from empirical reality. However, every simplified supposition will have to be subsequently corrected, taking into consideration the at first neglected real factors. This procedure will bring investigations step by step nearer to and in conformity with the complex concrete reality (see Henryk Grossmann "Das Akkumulations — und Zusammenbruchsgesetz des kapitalistischen Systems", Leipzig 1929, Verlag C. L. Hirschfeld).

Now we can undertand why Karl Marx, **Capital**, Vol. I — which may be considered the first stage of abstractions — was followed by a second and third volume. To analyze more clearly and arrive gradually at a thorough understanding of the various forces underlying our complex social system was the purpose of these additions. The apparent discovery of contradictions between the various volumes of **Capital** by many Marx critics can be explained only by their unscientific attitude. These apparent "discoveries" remind very much of the apparent contradictions between a mathematical and a physical pendulum. It is obvious that such "contradictions" are inherent in every scientific system; they imply various stages of abstractions, nothing else. But, exactly for this reason, it was to be expected that the academicians should have had a full understanding of the Marxian theories, had they not been afraid of the political consequences incumbent in Marxism.

H.

LIVING MARXISM

announces among other articles in issues to follow:

GERMANY AND THE COMING WAR — RUSSIA'S FOREIGN POLICY — MARXIAN IDEOLOGY IN WESTERN EUROPE — SCIENCE AND PROLETARIAT — THE MASSES AND THE "VANGUARD" — NEW ASPECTS OF IMPERIALISM — COMMUNIST PRODUCTION AND DISSTRIBUTION — THE SOUTH: TOWARDS A NEW CIVIL WAR — ORGANIZATIONS OF THE UNEMPLOYED — THE MEANING OF STATE CAPITALISM — ECONOMICS AFTER MARX — COLLECTIVIZATION IN SPAIN — THE UNIONS AND THE WORKERS — THE FARMERS IN PRESENT-DAY SOCIETY — THE QUESTIONS OF THE PACIFIC.

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WHAT CAN THE UNEMPLOYED DO?

THE previous issue of this magazine expressed the view that the return of what the satisfied in society call "normal unemployment" can no longer be expected, that large-scale unemployment and its accompanying misery is here to stay despite temporary reductions of the unemployed figures through public work measures and war. We rejected the popular sloggans demanding work for the unemployed, since we cannot conceive of their fulfillment in ways other than through greater miseries as were previously experienced by the workers. Under the present conditions of a deepening depression, the misery of the unemployed will take on once more the appearance and proportions already witnessed at the low point of the years 1931-33. To keep from starving, unemployed were then pressed into all forms of action. If the trend is not excluded by an early outbreak of the coming war, which would change all perspectives made on the assumption that "peace" will endure somewhat longer, it is to be expected that once more will the unemployed be forced into action of their own to safeguard their miserable existence.

Only once in American history before 1929 has the "interest" in unemployement been comparable to that existing since then; namely, in the depression period at the beginning of the world war. However, this "interest", caused by the unrest and action of the unemployed was again forgotten in the long period of "prosperity" nourished by the World War. Before 1929 the unemployed had no possibility of altering the prevailing attitude in society, which, in the words of President Hoover, saw in the unemployment problem "a sporadic and irregular phenomenon which merited only a sporadic and irregular control". Their minority situation reduced them to an object of christian charity. Under the pressure of the ever increasing scope of that phenomenon, that is, under the pressure of the unemployed, however, it soon became impossible to take the matter so lightly, and recourse was necessary to more than temporary relief measures. The economic stabilization which came about after the crisis had reached a certain level enabled and facilitated a "better regulation" of the social measures bound up with unemployment, and this process was still further promoted by the accelerated rate of advance in the centralization of economic power urged by political pressure.

Though because of this process situations have changed as regards the unemployment problem, it is to be expected that the force of tradition will induce the unemployed workers, despite the experiences of the past, to repeat their previous activities.

And though this repetition of already familiar methods may have today an entirely different effect because of the changed conditions, the question remains open whether this effect will be more fruitful now than before, or be of even less significance. It must be asked further if those traditional measures are possible at all, and if not, what will or must be applied instead of them? In short, the questions of what the unemployed may do and what they can do have to be reinvestigated in recognition of the changed conditions.

Such an investigation is limited in many respects. However logical and correct our analysis may sound, still it cannot be regarded as more than a general outline, unable to serve for specific purposes at particular moments in the unemployed struggle within the different territories of the United States. Specific plans must unfortunately always be left to the moment of action and to the needs of the changing situations in the course of struggle. No one is able to know in advance all the possible occurrences within the struggle. Since no one can conceive the whole of society in which the struggle takes place, he cannot foresee all the details of which it consists. International, national and local implications, conscious and spontaneous actions of this, the other, or all groups, here, there, and everywhere, may change within the daily struggle any situation, although all this may alter nothing of the "long run" factors of history. But the unemployed struggle, a life and death question of today and tomorrow, cannot be based solely on "long run" factors in history. Decisions have to be changed at particular moments, and this calls for self-initiative., spontaneous shifts, and careful modifications of tactics and propaganda. However, though we recognize all this, still it remains true that the more realistic the conceivable general outline is, and the better the history of previous struggles is known, and the more eventualities of the near future are foreseen, however roughly, the better and more effective will be the activity in each particular situation that calls for spontaneous satisfaction of the momentary needs.

To answer the question as to what the unemployed can do, we therefore have to deal with the past, the present, and the future conditions related to this question. Such an answer cannot be given in one issue of this magazine. We are forced to break this article into sections appearing in different issues. Although each section has a certain independence, the inner connection of the series should not be overlooked.

Unemployment and the Labor Movement In American History

Unemployment has accompanied the entire American industrial development, and to only a somewhat lesser degree in the days of pioneer activity. It is true that the scourge was

frequently somewhat mitigated by the westward procession, but the participants in that movement came mostly from the farms; in spite of poor living conditions, it was only in rare cases that the industrial workers accepted Horace Greely's advice. In old chronicles and forgotten literature, there are frequent references to urban unemployment. Thus for example *Niles' Register* of August 1819 writes: "There are 20,000 persons daily seeking work in Philadelphia, in New York 10,000 able-bodied men are wandering the streets, in Baltimore there may be about 10,000 persons in unsteady employment, etc." The improvement of the situation after the depression year of 1819 was soon followed by new waves of distress. The labor market waxed and waned with the business cycles. "Thousands of industrious mechanics who never before solicited alms", wrote the *New York Times* in 1829, "were brought to the humiliating conditions of applying for assistance, and with tears on their manly cheeks confessed their inability to provide food or clothing for their families". Similar reports, often accompanied by unemployed figures which range in the hundreds of thousands, are found in innumerable accounts of the various years of depression in American economic history. The deeper and the more persistent the depression, the greater the prominence of the unemployment problem.

Unemployment was immense in the years from 1857 to 1863, and it was precisely because of its magnitude that the conditions of economic crisis around 1884 impressed upon the class struggles of that time the pronounced character which found its culmination in the Haymarket Riot. Ten years later the growing importance of the unemployment question was brought home to the workers and capitalists alike by the great unemployed demonstrations, which took place in many parts of the country, and by the dramatic march of "Coxey's army" upon Washington.

The belated and, for that reason more rapid, development of American capitalism, together with its peculiarities — such as pioneer activity, the great variety of means of livelihood, and other structural differences — distinguished the development of the American labor movement to a large extent from that of Europe. A consciously organized labor movement with a socialistic ideology, as was known in pre-fascist Europe, existed in America always and even today only in embryonic form. Nevertheless, at times labor organizations occasionally took on important proportions; movements developed spontaneously only to disappear again as fast as they had risen. But up to the middle of the nineteenth century, because American industry was still backward in comparison with that of Europe, the labor movement in America was of a guild character, operating on a local basis, and combining their craft interests with the interests and aspirations of the farmers. After the Civil War trade union development accompanied that of capitalism. After 1870 this trade union movement grew more rapidly with the growth and

the changing character of the class struggles. The big strike waves following the crisis of 1873 and reaching their greatest strength in 1877 radicalized the workers to a large extent. The "Knights of Labor", the most important labor organization, could count in 1885 on 100,000 members, which by way of a few successful strikes in the boom period could be raised to 750,000. But with the end of the boom the Knights of Labor declined as fast as they had grown up. During all this time, the political movement of the workers, existing in various socialist language groups, was almost without significance. The American Federation of Labor, developing out of the ruins of the Knights of Labor, grew as an expression of the growing importance of skills and crafts in the capitalist industrialization process, and fostered by immigration and job control, led to a division of the workers into the so-called aristocracy and the great masses of unworkers into the socalled aristocracy and the great masses of unorganized. Attempts on the part of the I. W. W. to break this situation by industrial organizations had only temporary successes; the development of labor groups with specific interests within the proletariat h a m p e r e d the development of socialist ideologies and, with this, the growth of socialist movements. Attempts on the part of the unions to safeguard their jobs against the newcomers supported the isolation and atomising tendencies among the working class that were already fostered by capitalism in opposition to the actual unification and socialization of labor and the laborers through the development of large industry. The absence of important socialist movements and the attitude of the trade unions led to an almost complete neglect of the unemployment problems and excluded support of their struggles through workers' solidarity. Only in times of utter despair spontaneous unemployment movements arose, unrecognized in their significance by the existing labor organizations, and unable to assert themselves with more than a mere demonstration of their misery, and disappearing without result again into the night.

With the twentieth century, America presents a full-fledged capitalism. All other classes are subordinated to the interests of the big capitalist concerns. The proletariat is the largest class in society. The "special characteristics" of American capitalism disappeared; they now play a part only in phraseology. But the rapid rate of capital accumulation occuring now in America for reasons which we cannot go into here, prevented to a larger extent than ever the growth of socialist ideas. The "American Dream" clothed itself in dollars and cents costumes, in bonds and stocks, in get-rich-quick schemes, in fairy tales of the newsboy and the millionaire. The capitalization of the labor movement proceeded even faster than the general capitalization of ideologies and social activities. The prosperity period before 1929 was accompanied by such an organizational and ideological

decline of the labor movement that it was hardly possible to speak of such a movement at all. Although the "prosperity" was only a reality for the labor-aristocracy in comparison with European labor conditions and wages, and remained a dream for the large majority of the American workers, just the same the "spirit" created by the prosperity nourished the hope that sooner or later all would participate in eating from the especially well-filled flesh pots of American capitalism, in which lay the formula for eternal happiness.

When the period of prosperity was over, the idea prevailed that the depression was only an accident and would be soon and forever overcome. "The jobless, the near-jobless, the countless victims of the market and bank failures", wrote A. R. Wylie in the *New York Times* (4/26/31), "are bearing their personal change of fortune with a gallantry and good humor." But soon after that the situation changed. Hope was replaced by despair in the unending crisis. The rapidity of the decline once more radicalized the American working class in a previously inconceivable way. The "gallantry" and the "good humor" of the first depression years made room for a general unrest and a special activity of the unemployed.

Welfare and the Unemployed

As long as unemployment could still be regarded as a local and temporary affair, the general tendency was to leave the resulting distress to the care of the local and private welfare agencies. "The recipients of unemployment relief", wrote the *Chicogo Tribune* (11/9/32), "are objects of charity. Money has been given them not because the victims have a right to it, but because the community has a heart." The American poor laws, an adaptation of the English ones dating from the 16th century, contrasted with these latter in being of local, not national, origin.

American poor relief since the 17th century has assumed various forms. The most general one consisted in the establishment of poorhouses and workhouses. Wherever possible, able-bodied children and adults were let out to farmers and industrial employers, who in exchange for the duty of supporting them received the right to their unlimited exploitation. A further form of "poor relief" was public auctions of the helpless to the highest bidder; and, finally, though only in rare cases, those whose wretched situation could be regarded as transitory were the recipients of "out-door relief" in the form of food doles.

This poor relief, organized and administered according to cities and counties, always had as one of its aims to impress upon the needy the stigma of disgrace. The Pennsylvania General Settlement Act, for instance, enumerates strict requirements for legal settlement based on continued residence and occupation,

specifying rates of assessment for relief of the poor, and making provisions for discouraging applications for relief. To this end the statute required all persons receiving aid, even children, to wear on the right sleeve a large letter "P", signifying pauper, with the first letter of the district's name worn underneath. The still existing pauper oath for the relief recipients and the general treatment of relief applicants by welfare institutions and their agents are still based on the principle of stigmatizing and scaring away the relief seeker. This attitude is in line with the exploitative needs of the existing society. If it was more pronounced at the beginning of the capitalist development and if its changes form at the end of this developement, that is owing to the fact that the thirst for profits is relatively greater and the appeasement of that thirst relatively smaller in these periods than in the heyday of capitalism. The miserable conditions of the working class make it necessary to resort to barbarous treatment of the non-working and poverty stricken elements of the population in order to spur the former to greater exertions.

In the course of the capitalist development the practice of poor relief underwent a gradual modification in which it became adapted to the ever-changing conditions, though the poor laws, which were almost medieval in their origin, were not thereby affected in principle. The poorhouses and workhouses, as the most important institutions of poor relief, lost some of their importance and in many states were converted into homes for the aged or into prisons. More attention was devoted to the distinction of types among the needy, and there was an increasing tendency to concentrate upon out-door relief. In the various states of the union the poor laws were revised at longer or shorter intervals. In the execution of the laws there was developed a certain uniformity in the industrial states and another uniformity in the farming states. Welfare work came more and more to be taken out of the hands of justices of the peace and directors of the poor and turned over to trained social workers. With the setting in of the crisis in 1929, the inefficiency of the local relief services was exposed everywhere.

The relief measures in the first years of the depression were insufficient and chaotic. After three years of economic crisis not a single serious attempt had been made to adapt the relief institutions to the demands of the great amount of unemployment. The jobless masses were thrown exclusively upon the mercies of the inadequate local and private welfare institutions. All that happened at first was that the already existing institutions were expanded, coordinated, and frequently completely merged with each other. The constantly mounting financial requirements were met, in so far as possible, by way of increased collections and larger bequests, private and public loans and higher local and state taxes. For a long time this extension of welfare

activity was looked upon as transitory measures, to be abandoned in the expected upturn in business.

The united or cooperating welfare institutions of the counties and cities restricted their activity mainly to the doling out of food to needy families. In the early depression years it was only in rare cases that the unmarried man out of a job managed to obtain relief. Almost all relief was conducted on a non-cash basis. Rentals were paid only in rare cases and in many cities not at all. Evictions of unemployed have accompanied the distress during all the years of depression since 1929. Even light, gas and water were also long refused in many communities. The relief recipient had to be literally without resources and without the means of obtaining them. A gauntlet of investigations had to be run, and the unemployed had to fight incessantly against cuts and procrastination. All kinds of difficulties were systematically promoted. In many cities and counties the pressure of "public opinion" was invoked as justification for compelling the unemployed, in return for the miserable relief accorded, to labor on public works.

In some localities the system of cash relief was adopted at a quite early date, in others not until the end of 1935.* But this policy was also not a consistent one. The idea of paying out cash relief was not taken up by a number of states until it became possible in this way to bridge over difficulties which arose from sharp cuts in the relief rates. The *Chicago Daily News* (5/11/35) reported that Mrs. Page, in a conference of state relief officials said: "that the reaction of clients to the relief cut at St. Louis was much calmer than had been expected, due to the fact that clients were gratified at having money in their own hands." After such successful operations, there followed in many cases a return to the old methods: foodstuffs or tickets with which to draw them were again handed out.

The relief given amounted in money terms on the average to about $21 per month for each family or about $4.60 per month for each person. This was at the rate of fifteen cents a day per person. On the basis of the Chicago relief budget, for example, the monthly relief figure during the year 1932-33 for a family of five amounted to $28.79, while the necessary minimum for existence for the same family at the same time, without including rent, was computed by the Chicago Council of Social Agencies to be $105.00. The difference between the two figures illustrates the inadequacy of the relief rates, an inadequacy rendered still more glaring when it is borne in mind that the Chicago rates were among the highest in the whole country.

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*The change in the relief situation, initiated in 1933 by the Roosevelt Relief Program, will be dealt with in another chapter in the next issue.

"Self-Help" --- the American Way

Out of the economic and psychologic situation preceding the depression, including the described status of the American labor movement, and the status of the welfare institutions, the course taken by the unemployed's reaction to their new situation is understandable. The first response to the depression and their own condition was expressed in the spontaneous self-help movement of the years 1932-33. The absence of militant labor organizations of any significance, the disinterestedness of the trade unions towards the unemployed, and the general ideological backwardness of the masses burdened with a set of romantic traditions dating to the times of the frontiers, saw in these self-help organizations the practical American answer to the unemployment problem. At first these new organizations were conceived only as temporary institutions to help overcome extraordinary situations. Most of these organizations were nationalistic and petty-bourgeois in their outlook. Although they were spontaneously created by the unemployed themselves, they soon found the approval and the help of all kinds of reformist groups and humanitarian institutions, such as churches and business associations. They also secured endorsement by many trade unions and by the Socialist Party. Many city administrations supported those new expressions of a true "Americanism", and later the Federal Emergency Relief Administration saw fit to support the more promising units of self-help organizations. Upton Sinclair, who never lets a chance pass by, also incorporated this new idea into his utopian EPIC scheme.

Self-help organizations sprang up as early as 1930, and were in vogue during 1932. Some of them kept themselves independent, others united with kindred organizations. Unsuccessful attempts were made to coordinate them into nationwide Federations. All were engaged in two principal types of activities: organized begging, and the barter of labor and commodities. The exchange regulations were manifold. Some organizations developed bureaucratic apparatus, membership dues, due bills, goods certificates, credit transfers, vouchers, exchange checks, and what not. Most of them were engaged in agricultural pursuits, since most of them functioned in agricultural states. Land and implements for production were solicited, offered, rented, lent by individuals, authorities and societies. The s t r o n g religious sectarianism, one of the American peculiarities, lent impetus to such organizations. Most of the organizations abstained from competing with private enterprises; most of them also excluded all money-dealings. Even where such possibilities were open, only occasionally was advantage taken thereof. But as soon as the principle "Not for Profit" was broken, the sharpest protest arose from the small business men's organizations and from the trade unions. Many socialists en-

tering these self-help organizations developed an enthusiasm expressed in the wildest hopes of the socialistic future of such enterprises, which seemed non-capitalist islands in the ocean of capitalism. P. R. Haffner wrote, for instance, in the *American Guardian* of Nov. 25, 1932:

> "Never before was there such a possibility to build up co-operatives. The small enterprises can not longer compete, the larger ones will not dare to fight against us. Hunger is like dynamite, no one likes to play with it. Experiences show that self-help is possible; in Tacoma alone we have already gattered means of production to the tune of 45,000 dollars, we built houses, employed workers, we have started an industrious community in which there will be no unemployment and no exploitation."

However, this optimism fell to pieces when reality did not conform to it. At the end of 1933 most of the self-help organizations had again disappeared. They collapsed because of the deepening of the crisis, as they did later because of the improvement of business conditions. In the field of begging, competition with the Salvation Army led also to diminishing returns. Corruption destroyed the organizations from the inside; the pressure of the growing misery from the outside. The proud "I Will" spirit could not withstand the complete devaluation of labor power. Labor power, which heretofore was only an undesired commodity, would not now be accepted even as a gift. The central idea of the self-help movement as celebrated, for example, by the "Conference for Progressive Labor Action", an organization which later merged with the Trotskyites into the American Workers Party, which again merged, etc., etc, the idea of "production for use", which this party believed was absolutely realizable because the idea would find the hearty support of the taxpayers, as it would lighten their lot—this central idea turned out to be a central illusion of both the self-help organizations and its supporters in the labor movement. Soon this organization, together with similar bodies and the trade unions found itself forced to protest against a self-help movement which went too far. The exchange of foodstuffs for work was now recognized as only one form of scabbing, of bringing pressure upon the wage rates. The self-helpers advertised themselves in newspapers, offering their labor for literally a piece of buttered bread. Unwilling to attack the self-helpers, for no one could tell how they might be used, the politicians made a compromise solution by insisting that barter should be practiced only among the unemployed themselves. But as long as the unemployed had nothing else to exchange with each other but their misery, this "compromise" was only a phrase to bridge the shift from self-help to relief demands.

The self-help movement, based on a primitive barter system and barbarous self-sufficiency, was unable to live up to its principles. It was supported by the government since it saved it some relief money. With the financial aid of the Federal Emergency Relief Administration some of them could continue to

exist to this day, although the majority of them had passed out by 1934. But those extant have ceased to be regarded as an expression of the self-help movement as it sprang into existence during the years 1930-33. They belong to the series of governmental experimentations in "long-range planning" to allow sufficient exercise to the many administrators who have to prove somehow that they are busy with the task of saving society. Or they have to be regarded as belonging to the many half-utopian agricultural colonies existing in America, as objects of a curiosity, just as the American Indians are to high school boys spending their vacations studiously.

(To be continued in the next issue)

BOOK REVIEWS

Spy Overhead, the Story of Industrial Espionage. By Clinch Calkins.
Harcourt, Brace & Co., New York, 1937. (363 pp.; $2.50).

The Labor Spy Racket. By Leo Huberman.
Modern Age Books. New York, 1937. (195 pp.; $.35).

Both these books are based on the investigations of the La Follette Civil Liberties Committee. They contain similar material, the book by Calkins, however, offering more information. The investigations show in what ways capitalists, large and small, use the diverse detective agencies to break strikes, frustrate them and to interfere in trade union activity. The different situations in the class struggle between capital and labor necessitate the use of different methods by professional labor spies and strike-breakers. Activities from working within unions in an attempt to destroy them, to open terror and murder, cover the scale of their services. This business often assumes proportions expressable in hundred thousands of dollars. Small as it is in comparison with the total social activity, its existence nevertheless characterizes, more than anything else, the real relationship in present-day society. The labor spy exists because his activity represents one way of making a living, and he is used because the capitalist desires to save money. In Miss Calkins' opinion, this primitive method cannot disappear except to be replaced by less crude but more efficient methods. Huberman, with the superficiality of all social reformers, expects from the La Follette investigation enough indignation of "fair-minded" Americans to end this "shameful" business. But where he assumes it will be possible to convince the capitalists that collective bargaining and trade unions are also serving the best interests of the entrepreneurs, a recognition which is supposed to induce them to fire the labor spy, Miss Calkins disagrees with him. She sees rather the possible replacement of the labor spy by the more effective "public relations man", who will take over the function of the former. Besides this change of appearance in the labor spy, there will be more frequent recurrence of vigilance committees, to handle strike matters according to the ethics of the "fair-minded" Americans. And in the growth of this vigilance activity, according to Miss Calkins, is also manifested the formation of fascist forces, calculated to deal with labor questions in a manner which may be called up to date. Miss Calkins' book makes Huberman's superfluous. We must direct the readers' attention especially to Miss Calkins' introduction, for it summarizes with rare truth and clarity the actual situation of the American worker. It is this

clarity and this unusual approximation of the truth that makes it a pleasure to recommend "Spy Overhead".

Japan over Asia. By W. H. Chamberlin. Little, Brown and Co., Boston, 1937. (395 pp.; $3.50)

Chamberlin's book is without doubt one of the best, if not the best, of the recently published more popular books dealing with Japan, and not only because it is so readable and objective, but because it presents so many facts of such great interest that anyone, regardless of what he may think of Chamberlin's attitude here and in general, cannot help but profit by reading it. This work, though written by a non-Marxist, will assist the Marxist very well to a better understanding of the facts involved in the Asiatic problems.

The first half of the book deals with the imperialist policies of Japan, the second supplies a valuable description of the Japanese scene. The grasp Chamberlin has of Japan's present position may be judged by the fact that he wrote in September 1937, and in the face of a general optimism of China's chances, that a Japanese defeat is most unlikely to occur. Japan's aggression is here recognized as being no different from imperialism in general. Chamberlin understands that Japan's particular economic weaknesses hastened its action to safeguard itself in a growing imperialist world. The contradictions between Japan's necessities and the imperialist aims of other nations are stressed, and the author displays great knowledge of all facts involved, even if he does not trace those contradictions back to the fundamental contradictions of capitalist economy . Also, he has no illusions as regards the character of the Chinese anti-Japanese struggle, or the help it may receive from Russia. He sees that the issue of socialism is not involved in either question. Very interesting are Chamberlin's expositions of the Japanese class relations, and, most interesting for the workers, his descriptions of the economic struggle of the Japanese workers within a semi-fascist country without labor organizations. The book does little more than present relevant facts as they came to the author's attention. For this reason it contains little that may be challenged.

Forty Years of American-Japanese Relations. By Foster Rhea Dulles. D. Appleton-Century Co., New York, 1937, (281 pp.; $3.00).

Recently, the possibility of war between America and Japan was widely discussed, especially when the Panay was sunk. In the last issue of Council Correspondence we pointed out that the outbreak of such a war is at this moment not to be expected Dulles' book shows that similar frictions between America and Japan recurred at intervals during the last forty years of American-Japanese relations. From time to time America has raised the threat of war as a reaction to Japanese advances in Asia, but only to withdraw again. This policy appears to Dulles unclear and inconsistent. However, the struggle for the control of the Pacific involves more than the rivalry between Japan and America. Other nations such as England and Russia are also in the field. Vacillations by America are not the result of a weak foreign policy, but are based on the realities of imperialist world forces. It was not in the power of America to demand more than the Open Door in China, and its reluctance to start a war to defend the Open Door policy against Japan's imperialism is explainable by the fact that the Open Door was not of such value to American capitalism as to warrant a war — a war, which of necessity would become a world war. Dulles sees that it is not the actual, but the potential business which explains the great interest of America in China; but the potential business, the question of the future, involves much more than can be solved by greater consistency or clarity of American foreign policy. And this future will not, as Dulles seems to think, be a mere repetition of the past. The question of domination of the Pacific

is raised again, but if it leads to open struggle, America will not have to fight simply Japan, but as an ally of one group of imperialist powers, will oppose another group. To reduce the question of Japanese-American relations to one concerning these two nations alone leads to misinterpretations and causes Dulles to believe that the reason America has not championed her interests against Japanese imperialism is that America lacks the necessary determination. In spite of such conclusions, however, this book will help the reader to an understanding of the Japanese-American situation.

The Origins of American Intervention in North Russia (1918). By Leonid J. Strakhovsky. Princeton University Press, 1937; (134 pp.; $2.00.)

The author attempts to show with this study that American Intervention in Russia, in 1918, benefited rather than damaged the interests of Soviet Russia. Besides this question, which concerns us very little, the book brings to light many aspects of the Bolshevik Revolution and contributes to an understanding of its character. The dependence of the revolution on the world war becomes obvious. Between the rivalries of the Central and Allied Powers the revolution could consolidate itself. The Bolsheviks played one imperialistic group against the other in order to remain in power. When it became impossible to continue this game, the Bolsheviks chose Germany instead of the Allies, who then attempted to destroy the revolution. They had previously offered to help, and actually did help, in the understanding that the Bolsheviks would continue to fight against Germany. Many similar incidents in the international policies of this period furnish the reader with a better understanding of not only the revolution itself, but also of its leaders. It is a valuable, even though a small, addition to other books of documentary value, as for instance, "The Bolshevik Revolution", edited by James Bunyan and H. H. Fisher, and issued by Stanford University in 1934.

Economics for Everybody. By Mervyn Crobaugh. W. Morrow & Co., New York, 1937. (293 pp.; $2.50:)

The first twelve chapters of the book, tracing the economic development from the builders of the pyramids down to the beginnings of capitalism, although very superficial, might nevertheless, not only because of an amusing readability but also for some good formulations, provide the reader unacquainted with economics with a pleasant introduction to the study of economic history. The description, however, that follows the modern economic theories and their development is not only superficial but sometimes outright stupid. As Marx once said, popularizations are easy once the scientific basis is laid. Crobaugh's insufficient understanding of recent economic problems largely counteracts his popularization. But, whoever wants to read economics in order to find sleep, this book serves as well as any detective story, and besides this service will transfer a few good ideas, so to speak, in the course of sleeping. Though often painfully crude, the author succeeds in showing the connection between economic thought and economic reality. The book may be capable of arousing some interest in economic matters, inducing the reader to proceed to more reliable studies. As the book is both, good and bad, we cannot condemn or recommend it but must leave the judgment to those who will read it.

A Real New Deal. By Charles E. Carpenter.
University of Southern California, 1937; (137 pp.; $1.50.)

Carpenter dedicates his booklet "to all persons whose income is insufficient for their reasonable needs." Though he is a professor of law, he deals here with economic questions because he does not like, besides other things, "the irresponsible conflict between capital and labor." In his opinion,

the problem of society consists in the existing unfair distribution; he wants a more "equitable distribution of income" without the abolition of the present economic system. He desires "a real new deal", as Roosevelt's New Deal failed to fulfill its promises. He proposes a division of profits and a change of the tax system, and Congress is supposed to inaugurate these measures. The impossibility of their realization, however, is obvious to any one acquainted with the fundamentals of present-day society. His book — one of many of the same character recently published — has significance only because it indicates the trend of the growing resentment of the middle class. The combined protest against further capital centralization and against socialism expresses the "politicizing" of the middle class mind. But this "politicizing", if it begins to appear in actual politics, will be able to fulfill only what capital began. Capitalist development, unable to remove the middle class, brings about a situation in which the middle class removes itself in the very attempt to save its life. The developments in the fascist countries bear witness to this.

Science in the Light of Marxism. (Die Wissenschaft im Lichte des Marxismus) Jean Christophe-Verlag, Zurich, 1937. By H. Wallon, M. Prenant, H. Mineur, J. Baby and others.

The first part of the book deals with science and technic. Here the views of the astronomist Henry Mineur of the Paris Observatory throw light upon the connection between science and the requirements of everyday life. The second part of the book deals with the dialectical method and primarily stresses the principle of interchange. Tribute is paid to men as a motive force in history. The authors show that the human mind is affected in its development by material factors. But, simultaneously it is shown that this human mind — especially the scientific mind — becomes a steadily growing important factor of human development. Historical development tends toward the mastering of matter through mind.

The book is written in simple language, it is the result of various lectures given by the authors in 1933 and 1934 for the scientific commission of the Society for a New Russia. It is not distinguishable from other similar publications since Bucharin's "Historical Materialism", serving to satisfy the ideological needs of Bolshevist Russia.

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GERMAN FASCISM ON THE OFFENSIVE

The creation of a "Greater Germany" constitutes the decisive point in the program of German fascism toward which it drives with tenacious fanaticism. The gradual scrapping of the Versailles treaty, the surreptitions "coordination" of Danzig, the conquest of the Sudeten German regions of Chechoslovakia through the Henlein party, the penetration and hollowing out of Austria in step with the inner arming of Germany itself, effected the conditions under which the first open action could be dared. The *Anschluss* with Austria was carefully prepared. The moment of action was determined by the events themselves. On the one hand, the internal political conditions created a situation which compelled Hitler to contrapose a decisive success of his foreign policy to the defeat suffered in the Niemoeller trial and to the partial rebellion of the generals; on the other hand, he was favored by the European political situation the victory of Chamberlain's foreign policy in England and the governmental crisis in France. He was able to achieve successes without running risks. The *Anschluss* again proved that the aggressive fascist foreign policy, for which war preparedness becomes the prime instrument of imperialist diplomacy, is superior to the traditional political game played by the League of Nations powers.

Hitler long ago abandoned the attempt to realize his vague socialist ideas, but he cannot be characterized adequately as merely the "tool" of German big business. German fascism must be understood as an economic and political process which provides monopoly capitalism with new conditions for existence. Monopoly capital outgrew the private capitalist barriers. It was approaching a break down in the crisis of 1929-1933 and finally handed over its social and political functions in large measure to the fascist state apparatus. This transformation of the social order in Germany again illustrates that there is no situation in which capitalism cannot find a way out, that it will not automatically "collapse", if the workers, as in Germany since

1918, fail to recognize their decisive social function. Imperialism is not "the highest stage" of capitalism. The latter is able to enforce its further existence in more effective and more violent forms. The doctrine that socialism emanates as a result of the increasing concentration of capital is often misunderstood in an automatic sense. — It means *economically* that monopoly capital necessitates at a certain point the abolition of the barriers between the competing monopolistic groups of private capital and demands a more comprehensive form of organization and control. This statement says nothing of the *social* contents of the organizational advance necessitated by monopoly capital. If the workers don't complete this process socialistically, it will be completed capitalistically by the fascists with the help of the totalitarian state apparatus which slowly and with contradictions transforms from a mere "ideal" to a very real total-capitalist, which Marx, in the days of liberal democracy, never dreamed of. In this sense, the state capitalism of the Soviet Union gives to German fascism the directives for its economic development — and "ideals"

It is one of the many weaknesses of the German and international antifascistic opposition that it has no adequate conception of this transitional social process. Yet, the attentive study of these events, the knowledge of the actual structure of fascism, is a thousand times more important than the moralistic "unmasking" of the outrages.

At the beginning of 1933, the ruling classes of Germany, in the face of economic and social bankruptcy, delivered the state power to the National Socialist. Party. The consequence of this step was at that time neither foreseen by Hitler nor by the German bourgeoisie. Hitler could not maintain power if he did not abolish, step by step, the political obstacles which, on all sides, blocked his economic policy of creating labor at the cost of the average income on the one hand, and of forced armaments at the cost of the various private capitalistic interests on the other hand. In this way, he freed the German industrialists from the pressure of the labor struggles in order to subdue them to the interests of the state and armament policy. One capitalistic group after another lost the freedom of disposing of its capital and products and was subjected to a forced economy which is gradually completed but is still full of loopholes. Not without a considerable resistance, German industry has been militarized. Though in the main profit as the basis of the economy was guaranteed, the entrepreneurs lost increasingly the power of command which profit had given them until now. The capital-function became controlled by government; German economy was gradually transformed into a capitalism whose forces of production are directed by the state. This "control of production" is accomplished by fascism in the interest of a national totalitarian preparation for war.

This process is neither finished nor is it free from contradictions. The simple fact that it develops while private profit is being maintained, creates perpetually dangerous moments. Its continuance is due to the explained strength of the state apparatus and especially to the fact that the goverment's economic policy directly and decisively favors the big building industry and the three great industrial groups: mining, heavy, and chemical industries. Hitler's armament policy immediately favors the big monopolies which, already bureaucratized and depersonalized, do not need to resist very much the superseding of private by governmental initiative. Furthermore, long

termed and guaranteed state orders with a restricted span of profit are for these industries, with their expensive plants and equipment, more profitable than the possibilities for high but irregular earnings with the continous risk of crises. Thus the fascistic economic policy is not "commandeered" by monopoly capital, though it is ultimately carried by it.

The position which the German fascist state holds in relation to its economy strengthens its actions immeasurably as compared, for example, with the possibilities which are at the disposal of Roosevelt. The centralization of all political functions in the hands of the state apparatus permits the latter to make use of the means and reserves of the country to the fullest degree. (That explains why the catastrophes prophesied by so many observers who measure German economy with a liberal yardstick remained unfulfilled.) The point of economic collapse is pushed back considerably through fascist state-capitalism.

The German totalitarian economics are not in an ideal position. That the production of substitutes does not by far compensate for the lack of certain raw materials necessary for war, that the various capitalist interests and the different social forces pull on the structure of the state under cover of the dictatorship — all this is only the other side of the development discribed above. These contradictions will probably provide the stimuli which may under conditions of high tension ultimately lead to the explosion of the national socialist system. Today, German fascism has cleared up those danger zones to such an extent that it profits decisively, just as does the Russian economic system, from the economic and social concentration.

The push in Austria accounts for the internal strength of the national socialist system. This push, in turn, will help German industry in its fight for self-sufficiency (through enlargement of its basis for foodstuffs, of lumber supply, and mining ores) and thus will result in a considerable strengthening of its forces in the space of a few years. The German bourgeoisie has not been asked for its approval of this step. But the "Greater Germany," prepared for over a long time politically and economically, and now established, extends the basis for an advance to the southeast of Europe to such a degree that the roadbed has been laid for the imperialistic drive for expansion of German capital — which serves its interests greatly. If Hitler does not overreach himself as Mussolini did in Abyssinia, in other words, if he evaluates only somewhat correctly, the foreign political situation, especially Great Britain's foreign policy, then the chain of his successes will not be snapped with the Autrian coup.

II.

German fascism was not created in 1933, but with the fiasco of the German "revolution" of 1918-1919. The workers learned too late — and the lesson was not sufficiently widespread — that they had to initiate a process of socialization in order to destroy the economic basis of the agrarian and industrial reaction. The cowardliness and ignorance of the Social-democratic and Democratic forces which were in power at that time prevented the measures which would have at least accomplished the aims of parliamentarian democracy in Germany. (The annihilation of the feudal agrarian lords would have destroyed one of the essential fundaments of fascism; the abolition of the internal states joined with a radical administrative reform would have

dammed up the reactionary particularism as well as the sabotage of the higher state officials; the creation of a militia would have beaten the reaction of the "free corps" fighting as interventionists against Russia, and later, on all occasions in which actions of workers were suppressed throughout Germany). Hitler bolstered his position in Germany considerably by passing measures which should have been performed by the republic. With the Austrian *Anschluss* he realized the idea of a greater Germany, which was the perpetual dream of the German democrats as well as of the socialists since the revolution of 1848 and even before that time. Marx and Engels, Lasalle and Bebel proclaimed that aim as one of the tasks of the future German revolution. Bismark had betraved it in acquiescing to a smaller Germany for the benefit of the Prussian king. And so did the leaders of the young German republic, out of indecisiveness and ignorance and for what they considered the more important task of battling down the progressing workers in the interests of the German bourgeoisie and the feudal reaction. The German Social Democracy, especially, which in the early months held the fate of the German republic in its hands, had no foreign policy. Yet the *Anschluss,* which was affirmed by 85% of the population of truncated Austria under the more radical leadership of the Austrian Socialists, would have been possible without revolutionary means, by a little democratic courage — through an appeal based on the "selfgovernment of the nationalities" taken from the war and peace programs of the Entente and this long before the dictates of Versailles and St. Germain were imposed upon Germany and Austria. More than that, any German government based on a resolute internal program and on the driving initiative of the broad masses would have had all chances to defy the reaction of the victory-drunk French generals and the cold calculation and intrigue of English diplomacy. Such an attitude could have withstood even an invasion, which the Germans were later subjected to anyway when the Rhine and Ruhr were occupied, — without resistance and to the advantage of the German reaction. The history of the European revolutions of 1789 to 1917 and 1919, and in a negative sense, the Spanish Civil war today, prove that a definite revolutionary internal policy allows for the only possibility to carry through a definite revolutionary foreign policy. We may here remind our readers that it was not John L. Garvin and Lord Lothian who first asked for a "German Middle Europe" (Observer 3/14, 5/16, 1937), but the British General Staff's memoranda on the conditions of peace in 1916, especially that of Sir William Robertson of August 31st. He praised therein Lloyd George's memorandum which "raised itself to the heights of statesmanship" by recognizing the necessity of preserving a strong Germany in middle Europe, and he recommended under the motto of "the balance of power" the *Anschluss* of Austria and Germany. This, he stated, would be "by no means to our disadvantage."

Thus, Hitler owes his greatest foreign political triumph, the *Anschluss,* as well as his internal victory, to the weakness and cowardice of the fathers of the German republic. And probably herein lies the reason why, after years of considerable ill-humor and dissatisfaction among all layers of the population, he obtained again with this step, the psychological support of broad masses of the German people.

III.

Post-war Austria was in a similar way ripe for *Anschluss* as the Saar in 1935. It was the small remnant of a great empire originally composed of seven nations with a total of 56 million people. At the end of the War, this Empire was split into fragments. Small national states arose with the help of the Allies, who proclaimed the so-called self-determination of the nationalities. A small mountain area around Vienna was now called Austria. Vienna, once the capital of vast dominions, the junction of trade between west and southeast Europe, and an important industrial center in its own right, lost overnight its political and economic basis. There was no longer any demand for the rich Austrian timber. The big industrial region in the valley of the iron-ore mountain, south of Vienna, became a depressed area. Austria was doomed to eternal misery unless it could unite again with a great country and its big internal markets. It was the most unhappy product of the Versailles peace makers. Since 1919 it existed solely on the ground of the mutual pressure of the various big powers, originally under French protection. In the measure in which French policy, tied to the apron strings of English interests, lost its influence over the Little Entente and the countries around the Danube, German Austria came under the protectorate of Italy, which acted as an effective counterweight against German aggression, until the axis policy was invented. The price which Austria's clerical reaction had to pay for this protection was the abolition of parliamentarian democracy, the crushing of the workers' movement, and the formation of a so-called "estate-state", which had nothing behind it except the Catholic clerics, the leadership of the *Heimwehr* (directed by Italy), and the Jewish bourgeoisie. The regime of Dollfuss-Schuschnigg, which was able neither to push back the illegally continuing workers' movement nor the impetuous offensive of National Socialism, found itself jammed between Germany and Italy. It was bound to break down helplessly as soon as pressure from either side was relaxed. With the axis alliance, the fate of Schuschnigg was sealed. Mussolini abandoned his influence over Austria. He had economically overstrained his country through the annexation of Abyssinia and the Spanish adventure, and was forced into an agreement with England. Only through the alliance with German fascism, bought at the price of the abandonment of Austria, could Italy still secure a position for bargaining in the face of English diplomacy, which will now be the principal profiteer of Mussolini's Spanish war.

Even so, Mussolini was undoubtedly completely taken a back by Hitler's military occupation of Austria and he certainly will know how to esteem Hitler's address of thanks: "Mussolini, I will never forget you for this", nor will he ever forget the demonstration of trust Hitler gave him by sending a strong detachment of German troops to the Brenner. He will scarcely overhear official speakers of the National Socialist Party in the Alp provinces declaring openly and freely that Italy will not be able to refuse the return of South Tyrol to Germany when it will be again in need of German support for his international policy. Thus, the axis has a serious dent, even though its fracture will be improbable as long as Italy does not recover with English help from its present state of weakness. This in turn should allow Germany to confine its foreign policy relatively undisturbed for the next few years.

The decision of the Austrian question was purely an Italian-German affair. Under the influence of English diplomacy, France renounced the resolute defense of its economic-imperialistic interests in the Danubian countries. When Schuschnigg, in the face of the threats of Berchtesgaden, asked for backing in Paris, he got the platonic assurance that the fight for the independence of his country would receive the complete "sympathy" of France. France fears the armed conflict with fascist Germany and believes it can obtain English support only if it falls in line with the English policy, which is determined to give free rein to the German expansion movement to the southeast, and which is now in full swing, playing Sudeten Germany into the hands of Hitler. The French diplomats do not seem yet to understand the simple fact that the Rhine is the real frontier of England, that England because of its immediate imperialist interests cannot tolerate Germany's further push westwards towards the North Sea, that it must therefore help France militarily in any case, if the German armies should march to the west. France pays heavily with foreign political sacrifices what it can get free of charge from England, as Robert Dell rightly remarked some weeks ago.

In this way, English imperialism accomplishes its most immediate aims in the European policy, which, on the whole, has become a second rate problem for it, at least since the Japanese invasion of China. Thus, it wins time for its own armament program, helps create in Greater Germany a decisive counterweight against Russia, its second great rival in Asia, simultaneously, drives Italy back into British vassalage through the southeastward advance of German fascism while holding France always pliant because of the German threat, and, lastly, eliminates German expansion from British spheres of influence for the time to come.

How far these long termed constructions of the balance of power policy are vain speculations, only the future can tell. In any case, the foreign political methods of German fascism proved to have unexpected "dynamic" power because they expressed the expansion necessities of a highly organized capitalism under the centralized leadership of a powerful military state for which imperialistic advance corresponds to the immediate economic and social needs. To the explosive force of this advance, the saturated imperialism of French finance-capitalism with its diplomatic methods, is that less a match for as the British policy depreciated and tore apart its most efficient instrument, the League of Nations contract while Hitler destroyed the guarantees of Versailles.

IV.

The fate of Austria was decided by foreign political constellations upon which it had no influence. Yet, not because it was no longer defended by a great power was Austria ripe for *Anschluss,* but also because of its internal political development. In this state, no longer able to exist economically, crises and pauperization became such a permanent feature that, as in Germany in the winter of 1932-1933, perhaps 50% of the population looked to National Socialism as the sole salvation. The abolition of unemployment through the armament drive, the relatively higher wages and standard of living of fascist Germany, made the social conditions of the third Reich appear highly desirable to the Austrians, just as they do to the Sudeten Germans.

The small farmers of the Alp regions especially, who were deprived of their means of existence, became the internal basis of National Socialism, which, due to the weakness of the clerical fascistic dictatorship, corroded the *Heimwehr,* the administrative body, and created for itself strong positions in the army and police. Austria was conquered from within as well as from without. At the moment of his fall, Schuschnigg recognized that there was only one counterweight against internal defeat and that would be a strong workers movement. He therefore made a despairing last-hour effort to undo February of 1934 and to bring back to life the Trade-Unions and the Social Democracy in order to throw the Vienna workers against the fascist assault. Hitler, through his brusque ultimatum, put an end to these attempts; the end was the more inglorious since the excutive officials refused to obey the bankrupt Schuschnigg government.

More dramatic than the dissolution of clerico-fascism is the fact that the trade unions, which continued their reformistic battles under half-legal conditions, and particularly the Popular Front Communists who were strengthened by the backward workers of the provinces, and to a lesser extent the social democrats, who were held back by stronger traditional bounds, — were quite ready to compromise with Schuschnigg and to fight at the barricades against National Socialism "for the independence of Austria" and for the illusionary re-democratization of the country. This they were prepared to do not by their own independent action but within the frame of the Fatherland Front and allied with the police and the army. The unscrupulousness and lack of political understanding illustrated by this readiness signifies the crushing weakness of the European working class movement, which is at the end of its rope, which fails to draw the least consequence from the great triumphs of fascism and from the breakdown of the middle European parties nad trade unions, and now attempts to save itself behind the skirts of nationalism.

The Austrian illegal workers movement was to save the clerico-fascism from German fascism. The Italian communists and social democrats issued a call in which they accused Mussolini of being ready to deliver Italian soil to Hitler. The French social democrats and communists demanded, and have just obtained, a national union with the most reactionary groups of finance capitalists who on their part, were in no hurry to accept this "community of the people." The English socialists already think of supporting a government under the leadership of the same Eden who furthered the conquest of Abyssinia, the defeat of the Spanish Popular Front, the rearmament of German fascism and the liquidation of the policy of "collective security." The workers parties of the small countries, in face of these big examples — to which must still be added the extinction of the last internationally-known Bolsheviki in Russia, — do not know what else to do than to subject themselves willingly to "national unity", "social peace", and "defense of the fatherland". That in the imperialistic chaos of present Europe the small states are "betrayed" by the big states; that the extinction of the revolutionary spirit of the masses of Spanish workers and small peasants demanded by Russia did not bring any help to the People's Front government on the part of the "democratic" imperialistic countries; that there is no successful foreign policy in Europe except the fascist one — all these, and similar facts brought forth no reaction from the working class other than to bind them more closely to

the policies of their respective bourgeoisie and to abandon even the appearance of an independent policy. The one fact that only an efficient and active international of the workers can oppose the international victories of fascism and its democratic supporters has not yet been realized by the European workers movement. And therefore fascism will determine, for perhaps still many years, the harsh fate of Europe.

SP.

THE LORELEI

"For to reach a port, we must sail — sail; not lie at anchor; sail, not drift."

(Ending of Roosevelt's last fireside chat)

Sometimes it becomes difficult to believe that we are still living in a capitalist society. Everything looks so Russian, and reading the **Daily Worker,** for instance, one could easily imagine that, without noticing it, we have already entered the first stage of socialism and that our leader Roosevelt is actually engaged in saving us and the world from misery and dark reaction. The People's Front movement of the Communist Party must have found much encouragement in the President's fireside chat No. 11, and certainly also the Socialists must have enjoyed it, even if m o r e gentlemanly by greater silence. But Roosevelt doesn't need the People's Front; he is the People's F r o n t; he is, as **Common Sense** happily remarked, "America's most popular President."

Roosevelt's fireside chat derives its popularity from its impossibility. Let us remember the excitement caused by the technocrats a few years ago; they certainly made a hit but were soon forgotten. The geniuses of yesterday find themselves today on the relief rolls. As relief recipients they are certainly c l o s e to the government, and judging from the President's speech, they seem to have already entered through the side doors of the White House, for Roosevelt spoke, like the best of the technocrats, of an age of abundance which should soon raise the national income to 100 billions, and provide everybody with a life of plenty. Certainly not today or tomorrow, but soon. In the meantime, however, "we need more than the materials of recovery, we need a united national will." Till then, says Roosevelt further, "there is placed on all of us the duty of self restraint,... that is the discipline of a democracy. Every patriotic citizen must say to himself that immoderate statements, appeals to prejudice, the creation of unkindness, are offenses not against individuals, but offenses against the whole population of the United States." To give an example of a truly "democratic" behavior, he invited the persecuted jews to the States and the jew-baiter Ford to the White House. And following this example, the National Labor Relation Board turned against Little Steel, but at the same time made clear that preparation are under way to make the signing of collective bargaining agreements compulsory, restricting the freedom of both capital and labor. Justice is once more triumphant; equality before the law is secured.

If Roosevelt spoke like a technocrat, that doesnt mean that he actually thinks in technocratic terms. It proves only, if a n y t h i n g, that he has nothing to say, and is forced to replace his earlier sober approaches to our "economic ills" with empty phrases and promises. That the new proposed "p u m p priming" (which in many respects, despite the technocratic terminology accompanying it, is much more restricted than the first attempt) will be of no avail in curbing the depression should already be clear to him because of the earlier failure, not to speak of theoretical considera-

tions. But of what does this "forcing the prosperity" program consist?

There are proposed new Reconstruction Finance Corporation loans to the tune of $1,500,000,000 to private business unable to get credits otherwise. But why don't they get credits when large idle funds lie in the banks waiting for investment? There is only one reason, and that is, that those "neglected" enterprises are already considered bankrupt, unable even to pay interests on loans, not to speak of returning them. Merely giving those "unsound" enterprises money to work with, will in itself, if general business does not improve, express their c o m i n g bankruptcies only in larger figures. No one likes to throw money away, and so it may be clear at the outset that the RFC loans will serve entirely different groups than those "unworthies", and will practically have to be considered as a disguised state subsidy to "sound" firms unwilling to expand at present at their own risk. This fact alone should be sufficient to show that no real prosperity can be expected from this kind of "pump priming".

$1,250,000,000 will go to the W.P.A., one billion to public works, 300 millions to housing projects, 175 millions to the Farm Security Administration, 100 millions to new highways, and lesser sums for other purposes lke the C.C.C., flood control, etc. — altogether a pump priming of a b o u t $4,500,000,000. Although some of these projects will occasion the employment of a few more workers in private industry, and although some producers will find larger markets because of the material requirements of the public work projects, yet, the w h o l e program, even if adopted in full, will not be able to serve the fundamental need for a capitalist prosperity, that is, create profits all around to allow for a general advance. Rather, some of the privately created profit, unable to find r e a l capitalization possibilities, that is, a form of investment enlarging the total capital and therewith the total profits, is here forcefully put into circulation. This much is already known, that public works are not able to solve the problems of private capital, which, however, is still overwhelming in the United States. Pump priming may or may not help in a small capitalist crisis by compensating for the temporary non-functioning of a particular factor of capitalist economy, but in the general crisis of capital, where the wells are entirely dry, public works will be unable to do more than to whet the appetite, but not to quench the thirst, for profits. But then, no one expects that, they only say so.

Pump priming is again explained with that other popular tune: overproduction, which rhymes with underconsumption. This tune is sung by all reformers down to Earl B r o w d e r and John L. Lewis. Opinions differ only as to w h a t amount should be spent and in which direction it should go. Whoever opposes such proposals is marked a reactionary and fascist. But whoever is in favor of such a policy is also called a fascist by the other side The truth of the matter is, that neither group is fascist or non-fascist. The questions of government spending are determined neither theoretically nor ideologically, but are expressive of the actual struggle for the division of present and future profits among the non-working layers of society.

Though it is true that any government, including the Roosevelt Administration, attempts to stay in power, the charge of the Roosevelt opposition that the spending is solely a bribe for re-election is not true. It is not a question here of the re-election of a particular person, and not even of the maintenance of jobs for those many people who make their living with politics, but this question concerns whole layers of s o c i e t y and specific capitalistic groups, which also fight by way of party lines. That a tremendous number of people adhere to a party program though it opposes their own interests, shows only that ideologies can have, and do have, a great force, and this the more so, since economically chaotic conditions do not clarify the people but bewilder them even more. Any party seeking to stay in power has to do two things, which are sometimes in "harmony" with each other, but more often in

opposition, forcing many ideological twists. One is to oblige their electors and themselves; the second is, to keep the capitalist society functioning so that the first may be possible. This is quite a difficult task, and whoever "solves" it in face of class and group differences and all the frictions within each group, must be a good opportunist, may he now be a dictator or a democrat.

Each government can foster only specific interests of powerful groups, and serve the ruling class in society. To do so with the least effort and danger, these interests must appear as serving general welfare. The propaganda machine has to see to that. The opposition, also fighting for specific interests, will make these interests appear equally pleasing to everybody. Roosevelt's arguments "favoring the masses" are answered with quite opposite proposals, but nevertheless, these too are in "favor of the workers". Roosevelt's speech was followed by one from the Brookings Institution's Dr. Moulton,* in which he said:" Existing wage rates, preventing an expansion in production, turn into a boomerang to labor by cutting down the real earnings of workers. The only basis, on which a constantly increasing level of wages can be supported is by steady expansion in production..· Any one who maintains that existing wage rates should be retained is no friend of labor." He also "dismissed the governments credit inflation measures as of no consequence. An addition to the already abundant supply of credit cannot be expected to generate a recovery." Though we must agree with the last statement to a certain extent, still it must be noted, that Dr. Moulton's argument is rather pointless, for he refuses to see that because the "abundant supply" did not of itself find profitable investments, there was no choice but to "prime the pump" some more, not in order to change the situation but to maintain it; to avoid a further downward slide. The simple method of wage cutting, proposed by Moulton, is not possible at present to an extent which would sufficiently increase the profitability of capital to permit a new upswing. Some time ago the Brookings Institution itself pointed out that wage cuts may defeat themselves through an accompanying decrease in workers' productivity.** In such a situation, where even the old traditional method of wage cutting is inadequate for the profit needs of capital and resulting "prosperity", recourse must be taken to pump priming as the only way left to keep capital circulating.

It is senseless to expect from the pump priming an important change of the economic situation, senseless also to assume that the cessation of the spending and relief appropriations and the balancing of the budget would usher in prosperity. It is also senseless to assume that one or the other party could change things decisively. Both parties are not really serious about their own statements. No one believes in programs any longer, and the governments and politicians least of all. Mountains give birth to mice, and Roosevelt's struggle against the "vested interests" boils down to an attempt to shift the situation a little bit in the direction which, for himself and the groups of interests behind him, seem the best at the moment. The opposition party likes a somewhat different distribution of the burden of the crisis. They will object to the new spending spree, and Congress will in all probability diminish its scope somewhat, but by no means will the spending come to an end, just as little as the failure to pass the reorganization bill has stopped the reorganization of government along centralistic lines. It should also not be forgotten here that the present spending policy was really initiated by Hoover, under the rule of the Republican Party, and that with Roosevelt it only assumed larger proportions and shifted directions in accordance with new necessities.

The Roosevelt Administration knows quite well, as would any other, where the "created purchasing power" comes from. They know quite well that taxes cannot be higher than profits, since they are only a part of it. Spending ceases where profits end. But the opposite is also true.

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*Quoted from the Chicago Daily Tribune, April 20, 1938.
**The Recovery Problem in the United States; p. 187.

The question is what methods should be employed to fulfill both necessities, for the different methods in this process determine the fortunes or misfortunes of different layers of the capitalist class, as well as the other classes. You may tax the people heavily, (taxes are, like capital and profits, created by the workers) and through government spending return to them part of what was taken; or you may not tax them heavily and larger incomes will remain in their hands. In the latter case, money left in the hands of the individuals or individual concerns may be spent according to their wishes and necessities, in the former case the money may be spent as the government and those groups in society especially fostered by it see fit. In case the individuals themselves decide what to do with their surplus capital, they may or may not use it in new investments. If new investments seem unprofitable, their money will lie idle, to be consumed slowly. This situation prevails in any crisis. But this situation disrupts social conditions to such an extent that the government must try to start the ball rolling again. Capital, produced for purposes of accumulation, will now be used to keep the basis for capital accumulation intact. Questions of profitability will be neglected for the time being, in order to secure the profit-society. By way of taxation, money and credit manipulations, the government is able to "expropriate" private business to a certain extent, and to destroy existing fortunes. The destruction of capital, hitherto undertaken by way of bankruptcis, is now undertaken by the government in an organized fashion. That is, **the control of society has actually proceeded to a point where the destruction of capital is no longer left solely to the "automatic laws" of the market, but is also consciously undertaken by governmental measures.** The struggle of individual capitalists against this kind of planning is now no longer an ordinary struggle against taxes to keep their profits high, but a struggle for their very existence, as each must fear, that one or another turn of governmental policy will ruin him. However, it is unquestionable that only the weaker capitalist concerns can be destroyed, that is, sacrificed to the good of capitalist society, as the large monopolies can not be dissolved, without destroying the very basis on which society rests today. The big monopolies must be saved, even if this necessitates state control. This activity of destroying the smaller fry is necessarily camouflaged with the ideology of trustbusting. Seen from this angle, the spending program is revealed as only another form of capitalist competition favoring Big Business and the concentration of capital. That was done under Hoover, it is now done under Roosevelt.

One thing remains clear at all times: whatever is to be distributed among the non-workers in society, has to be taken from those who work. Even that "artificially created buying power", that is, the extension of the credit system, which already began after 1913 and has not ended, must be created by the workers. Our contemporary capitalists are not only exploiting the present generation of workers, they also attempt, and partially succeed, to eat up the labor of the coming generations. Even if in capitalist reality the crisis effects from time to time a temporary end to those gigantic appetites, the attempts can no longer cease. But if the living off the future assumes too large proportions, even a crisis may fail to bring the exploiters back to earth. There is constantly the danger that this policy of boundless credit inflation will eventually be solvable only by a total re-organization, combined with enormous capital destructions, of the whole of capitalist society along state capitalistic lines. The struggle around the spending program is then, on the one hand, a protest on the part of the rugged individualists against an economic trend which would transform them sooner or later into mere bureaucrats employed by the state apparatus, and, on the other hand, a movement towards the planned exploitation of state capitalism, which eventually will be forced to be just as "anti-social" as are the present economic royalists. However, to stop spending means to invite in the near future a revolutionary situation. The struggle against spending will therefore always limit itself, will always

or any party or organization speaking in the name of the revolutionary vanguard of the workers, have been in possession of the political power. This is true, not only on a national, but also on a regional scale; it applies even to the conditions prevailing in the syndicalist stronghold of Catalonia during the first months after July, 1936, when the power of the Government had become temporarily invisible, and yet the new and still undefined authority exercised by the syndicates did not assume a distinct political character. Still the situation arising from these conditions is not adequately described as that of a "dual power." It represented rather a temporary eclipse of all State-power resulting from the split between its (economic) substance which had shifted to the workers and its (political) shell, from the various internal conflicts between the forces of Franco and the forces of the "Loyalists," Madrid and Barcelona, and, finally, from the decisive fact that the main function of the bureaucratic and military machinery of any capitalistic State, the suppression of the workers, could not operate in any event against workers in arms.

There is no use arguing (as many people have done) that during the many phases of the revolutionary development of the last seven years there has evolved more than once — in October 1934 and, again, in July 1936 and in May 1937 — an "objective situation" in which the united revolutionary workers of Spain might have seized the power of the State but did not do so either on account of theoretical scruples or by reason of an internal weakness of their revolutionary attitude. This may be true in regard to the July-Days of 1936 when the syndicalist and anarchist workers and militias of Barcelona had stormed the arms depots of the government and further equipped themselves with the weapons seized from the defeated fascist revolt, just as it may be true in regard to the July-Days of 1917, when the revolutionary workers and soldiers in Petrograd demonstrated under the Bolshevik slogans *"All Power To The Sovjets" and "Down with the Capitalist Ministers,"* and when during the night from the 17th to the 18th a reluctant Central Committee of the Bolshevik party was finally compelled to reverse its earlier refusal to participate in a "premature" revolutionary attempt and unanimously to call upon the soldiers and the people to take arms and join what they still described as a "peaceful demonstration."

As against those people who today, 20 years after the event, extol the revolutionary consistency of the Bolshevik leadership of 1917, to the detriment of the "chaotic irresolution" displayed by the dissensions and waverings of the Spanish Syndicalists and Anarchists of 1936-38, it is quite appropriate here to recall the fact that in those black days of July 1917, 3 months before the victory of the Red October in Soviet-Russia, Lenin and his Bolshevik party also were unable to prevent or to turn into victory a situation which was described at the time in the following manner by the late S. B. Krassin who had been a Bolshevik and was later to accept high office in the Soviet Government, but at this time was the manager of an industrialist establishment.

"The so-called 'masses,' principally soldiers and a number of hooligans, loafed aimlessly about the streets for two days, firing at each other, often out of sheer fright, running away at the slightest alarm or fresh rumor, and without the slightest idea of what it was all about."*

* This and the following quotations are taken from J. Bunyan's and H. H. Fisher's documentary history of **The Bolshevik Revolution 1917-1918**, Hoover War Library Publications—No. 3, Stanford University Press 1934.

Even a considerable time later when the process of glorification of victorious Bolshevism had already set in, but a mild "self-criticism" was still possible among the higher ranks of the ruling party, the Bolshevist People's Commissar, Lunacharsky, recalled the situation of July 1917 by the following words: —

"We are bound to admit that the party knew no way out of the difficulty. It was compelled to demand of the Menshevicks and Socialist-Revolutionists, through a demonstration, something they were organically unable to decide upon, and, meeting with the refusal the party had expected, it did not know how to proceed further; it left the demonstrators around the Taurida Palace without a plan and gave the opposition time to organize its forces, while ours were breaking up, and consequently we went down to a temporary defeat with eyes quite open."

Nor were the immediate consequences of what may be called here, in answer to the oft repeated indictment of the lack of revolutionary leadership manifested by the Spanish Syndicalist, a *"failure" of the revolutionary Bolshevik party to seize the political power in an objectively revolutionary situation,* any better for the Russian Bolsheviks of 1917 than they have been in 1934 and '36 and '37 for the Spanish Syndicalists and Anarchists. On the 18th of July, 1917, the mischievous accusation was raised against Lenin that all his actions since his arrival in Russia, and particularly the armed demonstrations of the preceding two days, were secretly directed by the German General Staff. The Bolshevik headquarters were raided. Their newspaper offices were closed. Kamenev and Trotzky and numerous other Bolshevik leaders were arrested. Lenin and Sinovjev went into hiding, and Lenin was still in hiding when, almost two months later, he warned his comrades against jeopardizing their revolutionary independence by an unreserved support of the people's front's government of Kerensky against the counter-revolutionary rebellion of the Commander-in-Chief of the Russian Armies, General Kornilov.

Thus, it cannot be said in fairness that the Spanish workers and their revolutionary Syndicalist and Anarchist leadership neglected to seize the political power on a national or even on a regional Catalonian scale under conditions when this would have been done by a really revolutionary party like the Russian Bolsheviks. It makes no sense to accept the tactics of the Russian Bolsheviks in July 1917 as a "cautious and realistic revolutionary policy" and denounce the same policy as a "lack of revolutionary foresight and decision" when it is repeated, under exactly analogous conditions, by the Syndicalists in Spain. One might then as well subscribe to the paradoxical statement made by Pascal 200 years ago that "what is true on this side of the Pyrenees is a lie on the other."

This is not to say that the revolutionary actions of the Catalonian workers have not been fettered by their traditional attitude of non-concernedness in all matters political and not strictly economic and social. Even their most radical steps in the field of economic reconstruction taken at a time when they appeared and held themselves to be unrestricted masters of the situation, were suffering from a certain lack of that single-mindedness and consistency of purpose by which the economic and political measures of the Bolshevik dictatorship in Russia both infuriated and terribly frightened their enemies at home and in every bourgeois country all over the world. There is, in the

bourgeois reports on conditions in revolutionary Spain, very little of the uneasiness with which foreign spectators looked at the assumed "atrocities" of the Bolshevik revolution in Russia at the time of the "sanitary cordon." (Even the formerly revolutionary Marxist, Karl Kautsky, in those days repeated and, as I think, seriously believed in the news that the Bolshevik dictatorship in Russia had crowned their expropriatory measures by a "socialization of the wives of the bourgeoisie.") There is, as compared with those exuberances, even a touch of humor and a certain jovial reliance on what the reporter calls the persisting "individualism" of the Spanish people, in the story of the Spanish "Collectivisations" given by a Special Correspondent of the (London) Times at the hour of the arrival of the Negrin Government at Barcelona:—

'The arrival of the Central Government brought new life to Barcelona. The huge city was beginning to droop under the burden of collectivization. Happiness cannot be collectivized in Spain, where the individual persist in remaining his own master. An hotel proprietor who could not endure to be a waiter in his own establishment is a waiter elsewhere. Of a well known Catalan actor it is told that, wearying of playing the principal part on the scene and a humble one on the payroll, he proposed exchange with a scene shifter, saying: 'We earn the same, let me pull the ropes while you go and pull the faces.' It has become quite a joke, though a poor one, among audiences at cinemas to point out Professors of the Conservatoire playing second fiddle in the band."

Even the more elaborate and much more hostile report given one month later by the Barcelona correspondent of the New York Times was supplemented by some quite attractive pictures which illustrated the life and work in "Collectivized Shops in Spain," and which were made even more attractive to the State-worshipping and bond-speculating readers of the Times by the cheerful remark that "Because Loyalists prefer State control to workers' control and wish to protect foreign interests in Spain, collectivization — as in the clothing plants pictured here — is being limited." In the same vein "Spain's Strong Man" (the now-debunked defence minister of the Loyalist government, Indalecio Prieto) was shown in photograph and described to the petty bourgeois readers of the Evening Standard of March 7, 1938, as a "comfortably fat newspaper owner, with a chin or two to spare" and with a "fondness for eels as his only gastronomic luxury," a man by the way whose "worth" is "even recognized by General Franco" and who is personally well acquainted with "the financier of Franco's movement," the illustrious Juan March.

The very fact that the CNT and FAI themselves were finally compelled to reverse their traditional policy of non-interference in politics under the pressure of increasingly bitter experiences, demonstrated for all but some hopelessly sectarian and illusionary groups of foreign anarchists (who even now refuse to besmirch their anti-political purity by whole-hearted support of the desperate strife of their Spanish comrades!), the *vital connection between the economic and political action in every phase and, most of all, in the immediately revolutionary phase of the proletarian class struggle.*

This, then, is the first and foremost lesson of that concluding phase of the whole revolutionary history of post war Europe which is t h e Spanish revolution. It becomes even more important and particularly impressive if we consider the wide difference of the character of the Spanish working class movements from all other types of proletarian class struggles in Europe and in USA as established by well nigh three quarters of a century.

The validity of this lesson is not weakened by the relatively moderate contents of the political demands raised by the CNT at the present juncture. There is no doubt that the proposal of a "new constitutional period which would sympathize with popular aspirations within the socialist Republic, which would be democratical and federal" does not demand anything which the People's Front Government could not, in principle, decide upon without a revolutionary change of its hitherto professed bourgeois policy. Nor could the proposed creation of a "National Economic Council on a political and trade unionist base, with an equal representation of both the social-democratic UGT and the syndicalist CNT," transform the hitherto bourgeois-reformist bias of the Government into a revolutionary-proletarian tendency. But here again appears a close analogy between the tactics followed by the Syndicalists in present-day Spain and the attitude observed by the Russian Bolshevik party up to and even after the collapse of the Kornilov rebellion. If this analogy is true, if we can show that even a revolutionary party so predominantly political and politically experienced as the party which made the Russian October, did not rise to its ultimate perfection before the advent of an altogether different historical intuition, how then could we expect such superhuman and supra-historical excellence from a hitherto unpolitically-minded and politically almost entirely inexperienced group of proletarian revolutionaries under the undeveloped conditions of present-day Spain, where the counter-revolutionary rebellion of the Iberian Kornilov has not collapsed but has spread victoriously over the whole country and is now attacking the very heart of industrial Spain, the last strong-hold of the anti-fascist and anti-capitalist forces, the proletarian province of Barcelona?

There is indeed from the standpoint of a sober historical research ample proof that the revolutionary Bolshevik leadership of 1917 was in no way exempt from those human wavering and want of foresight which are inherent in any revolutionary action. Even after the victorious conclusion of that masterpiece of political strategy which the Bolsheviks, lead and inspired by Lenin, performed in the days of the Kornilov-affair in August and September 1917 when, in accordance with Lenin's most subtle instruction, they endeavored "to fight against Kornilov, even *as Kerensky's troops do",* but did not support Kerensky but, *on the contrary* exposed his weakness," Lenin still acted on the assumption that the Provisional Government had become so manifestly weak after the defeat of Kornilov, that it offered an opportunity for a peaceful development of the revolution on the basis of the replacement of Kerensky by a government of Socialist-Revolutionists and Mensheviks responsible to the Soviets. In such a government the Bolsheviks would not participate, but they would *"refrain from immediately advancing the demand for the passing of power to the proletariat and the poorest peasants, and from revolutionary methods of struggle for the realization of this demand."* Of course, in suggesting this line of action in his famous article *"On Compromises"* in September 1917, Lenin did not boast of such flawless revolutionary righteousness as does for instance Stalin in present-day Russia or those State-denying anarchists in present-day ultra-capitalist Holland. Yet this small piece of real history shows how little the minor followers of Lenin are entitled to criticise the deficiencies of the syndicalist achievements in revolutionary Catalonia, let alone the well-known ambiguity of the "help" given to the revolutionary workers of Spain during the first and later stages of their

strife by the Communists and the Russian State both in Spain and in the Non-Intervention Committee.*

There is thus a deep shadow thrown on the constructive work resulting from the heroic efforts and sacrifices of the revolutionary workers in all parts of Spain where the syndicalist and anarchist slogan of "Collectivisation" prevailed over the social-democratic and communist slogans of *"Nationalization"* and *"State interference."* All this constructive work was done, as it were, preliminarily only. Its further advance and its very existence depended upon the progress of the revolutionary movement and, first of all, upon a decisive defeat of the counter-revolutionary attack of Franco and his powerful fascist and semi-fascist allies. Even at this late stage, when the defeat of the highly advertised new Loyalist Army has already so strongly manifested the intrinsic weakness of the Negrin-Government that the above-mentioned chief representative of the fascist and capitalist forces within the People's Front Government, Indalecio Prieto, had to be kicked out ingloriously, and a "reconstruction" of the government in a "leftist" direction became inevitable, a last hour victory of the revolutionary proletarian forces rallied in Barcelona — either with or without a rehearsal of the insurrection of the Communards in besieged Paris 1871 — would immensely enhance the immediate historical and practical importance of the great experiment in a genuine proletarian collectivization of industry, which was initiated and carried through by the workers and their unions during the last two years.

Short of such a favorable turn, the story of the Catalonian *Collectivization* which is told in the most impartial and impressive manner in a small book, published by the CNT — FAI and hitherto not translated into English,* and on which we propose to base our own analysis and criticism of the Spanish experiences in the next issue, cannot claim any greater merit than what we know from Marx, Engels, Lissagarays, and other writers about the economic experiments of the Revolutionary Commune of the Paris workers in 1871. They are a part of the historical past just as are today the attempts of the revolutionary Italian workers in 1920, which were later annihilated by the hordes of Mussolini subsidized by the frightened Italian landowners and capitalists, and as the equally frustrated attempts made several times between 1918 and 1923 by the vanguards of the German and Hungarian workers. In the same way the more comprehensive and certainly much more illustrious temporary achievements attained by the revolutionary Russian workers in the period of a really communistic experimentation 1918-20 did not retaine any practical importance for the later development of the so-called "socialist construction" in Soviet Russia. They were soon afterwards denounced by the Bolsheviks themselves as a mere "negative form" of communism temporarily thrust upon a reluctant Bolshevik leadership by the emergencies of war and civil war. Thus the great historical experiment of

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*We quote here for the benefit of those hitherto Stalin-worshipping Communists who have recently begun to learn the lesson of the great "purges" in Russia, a sentence from Pravda testifying to what the Stalinist "friends" did and intended to do in a thouroughly "bolshevized" Spain. Says Pravda from Dec. 17, 1936:— "The purging of Catalonia from all Trotzkyist and anarcho-syndicalist elements has already begun; this task is pushed on with the same energy with which it has already been performed in USSR."

**Collectivisations—L'oeuvre constructive de la Revolution Espagnole — Recueil de Documents —Editions CNT — FAI, 1937.

the so-called "War Communism", which in fact represented a far more positive move toward a communist society than the measures of any NEP, NEO-NEP, or other variances of the no more socialist and proletarian policies which were later inaugurated by the various combinations of the post-Leninist and Stalinist bureaucracy, became a forgotten and abandoned episode of past history in the very country which even today claims to march in front of the international proletariat by the so-called "construction of socialism in a single country."

Even before this new turn of the Bolshevik economic policy, on Dec. 4, 1919, two years after the full seizure of the State power, Lenin in a speech delivered to the *First Congress of Agricultural Communes and Agricultural Artels* gave the following description of the results until then achieved by the Bolshevik struggle for Communism: — "Communism is the highest stage in the development of socialism, when people work because they realize the necessity of working for the common good. We know that we cannot establish a socialist system now — God grant that it may be established in our children's time, or perhaps in our grandchildren's time."*

"To serve the history of the revolution" is the program which is invisibly written on the front page of the above cited faithful and comprehensive report on the positive results achieved in the economic field by the revolutionary workers of Barcelona and by the industrial and agricultural laborers in many a small Catalonian town or remote and forgotten village. "To serve history" means for the writer as well as for us, revolutionary workers of a dismal world laboring in the crisis and decay of all forms of the "old" socialist, communist, and anarchist labor movements, to learn from the deeds and from the mistakes of past history the lesson for the future, the ways and means for the realization of the goals of the revolutionary working class.

l. h.

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*Quoted from the 8th vol. of the Selected Works ed. by the Marx-Engels-Lenin Institute, Moscow (Engl. transl. by International Publishers, New York, p. 205).

LIVING MARXISM

announces among other articles in issues to follow:

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THE DOMINICAN REPUBLIC SOLVES ITS UNEMPLOYMENT PROBLEM

On the Island of Hispaniola, in October, 1937, 12,000 defenceless people were suddenly attacked and slaughtered in a butchery that one writer spoke of as "the most horrible, unprovoked massacre of modern times." The massacre began when the president of the Dominican Republic, Leonidas Trujillo, saying that he was going to rid the country of "dogs, h o g s, and Haitians", journeyed to a town near the Haitian border, and at a dance held there on the night of October 2 he delivered an address wherein he said," I came to the border country to see what I could do for the Dominicans living here. I found that Haitians had been stealing food and cattle from our farmers here. I found that our people would be happier if we got rid of the Haitians. I will fix that Yesterday three hundred Haitians were killed at Banica. This must continue." The speech inaugurated a period of appalling bloodshed. At a given signal, mass murders broke out almost simultaneously in as many as sixty-five different localities. Those who did not escape to Haiti in time were herded into clearings and butchered like animals in a slaughter-house.

Why was this helpless people butchered? To answer this question we must review the forces culminating in these killings, but when we do so, we shall discover not merely the reasons for the killings, but also forces ominously portentous with tragedy for the large masses of mankind.

The Island of Hispaniola is about 400 miles in length and varies from 24 to 165 miles in width. It is largely mountainous territory, the mountains being overgrown with dense, tropic foliage, and overshadowing the broad, fertile valleys. The island is divided into two parts. The eastern part is the Dominican Republic; the western part is Haiti.

Roughly speaking, the Dominican Republic occupies two-thirds of the island and has but one-third of the island population. The Dominicans, a mixture of Spanish, Indian, and Negro, are almost all white, with thin lip and straight hair. The Haitians are about ninety-five per cent full-blooded negroes, the remaining five per cent being mulattoes and comprising the Haitian aristocracy. Both Haiti and the Dominican Republic ar, under the fiscal control of the United States.

With two-thirds of the island population concentrated upon one-third of the island territory, Haiti is overcrowded. About 275 Haitians subsist by primitive agricultural methods on each square mile. Crowded out of their own country, many have sought work in the cane-fields of Cuba and in the fecundite valleys of the Dominican Republic. And this influx of Haitian labor was welcome to these nations and was greatly encouraged. For those were the boom days of sugar, and there was scarcely enough labor power in these countries. Furthermore, toil in the cane-fields was a labor which the natives of these countries avoided. It meant swinging the machete all day long for the miserable wage of twenty-cents a day, and was contemptuosly spoken of as "Haitian labor". At the end of the seasons, many of the Haitians remained with their families on the fields where they labored. There was room for all and work for all; they constituted an advantageous reservoir of labor power; and so they were tolerated. Thus all went well — until the sugar boom burst.

With the collapse of the sugar market, the Haitians were no longer a source of profit to these countries, but a drag upon them. T h e i r presence swelled the unemployed and intensified the conflicts of the crisis, and they had to be swiftly disposed of. Cuba began shipping back to Haiti warship after warship loaded with workers. 16,700 of them had been dumped in that country since the preceding February and were being still shipped back at the rate of 2500 a week, reported the American Fiscal Representation in Port-Au-Prince, last J u n e. President Trujillo, however, refused to go to all this trouble and expense. His method was cheaper and more direct.

Outraged by the slaughter, and reacting with strong nationalistic feeling, the natives of Haiti, assembling in angry throngs, began clamoring for action against the Dominicans. The nationalists of the country, representing a movement in favor of native capitalism in opposition to the imperialist interests in Haiti, directed their wrath against Stenio Vincent, who, as the president of Haiti, represented those interests. The Haitian government thereupon forbade all demonstrations, and the Haitian police dispersed all gatherings. Vincent then communicated with Trujillo, and they both embarked upon an "investigation" into the murder, with the purpose of "placing responsibility". Thus they attempted to reduce the entire affair to a "diplomatical" deal. Their ministers assured the people of both countries that the "difficulties" were being resolved in the friendliest fashion, and that "cordial relations have not been impaired." "They deplored the 'exaggerated' reports", says the **New York Times** for October 26, "that 1700 were killed or wounded in violent outbreaks."

But the Haitians knew very well the nature of this "investigation", and they were not to be suppressed. Led by their nationalists, they gathered into angry crowds, and, rioting in the streets, killed a Dominican army captain and the Dominican consul. President Vincent thereupon appealed to America to intervene, and America, after a display of the right amount of reluctance, agreed to act with Cuba and Mexico as mediator in the affair. Our well-informed President then sent a telegram to the well-informed Trujillo, stating that he hoped the mediation would be welcome to him, "since the peaceful aims which animate the Dominican government are well known."

These diplomatic measures accomplished exactly what they were intended to accomplish — nothing and Haiti continued to boil with unrest. Strikes broke out. A number of them were led in the provinces by the petty-bourgeois students; then the transport workers joined the srikers, and for a time a general strike was expected. Finally Vincent, assailed by angry demonstrators who told him forthright that he was in league with Trujillo, declared that since the measures taken did not indicate a speedy "solution", he was invoking the Gondra treaty, which, backed by American guns, provides that an international commission of investigation assume jurisdiction over any dispute between American nations. But Trujillo, striking a pose for the awe of his Dominican subjects, withheld for a while his consent to this vestigation. He inserted in the **New York Times** a full-page, closely written statement announcing that no disagreement existed between his country and Haiti; that they could settle the dispute themselves, without any outside help; that an invoking of the Gondra Treaty was not in order.

Though the personal history of Trujillo is that of a gangster, and a thief, and has been lustily described by the liberal periodicals, his acts as president, regardless of his personal history, can be viewed only as proceeding from the economic straits of his country. The murder of the Haitians was not simply an attempt to reduce unemployment in the Dominican Republic; it was also an example for the unemployed Dominicans and for the proponents of native capitalism of what would happen to them if they arose against Trujillo. But more than this, it was an experiment in "active nationalism"; it was an attempt to direct prevailing discontent against the people of another country — in much the same fashion in which all the nationalists of the world put the blame on other nations for the desperate conditions of their country. American investments in Haiti are large, and our dividends must be protected. Illumined by these facts, Trujillo's acts as president are seen as adjustments to his country's conditions; and if those conditions had been too overwhelming for one man, the U. S. marines would have landed on the island again, and would have promptly created the order that Trujillo's soldiers achieved.

However, reports of the massacre, escaping through the strict censorship of both countries, began to appear in a few American newspapers, and Trujillo felt it neccesary to close the matter quickly, for, like all dictators, accustomed as they are to a con-

trolled press, he exaggerated the power of the press of "democratic countries", and the significance of the "popular feeling" in the "protector" nation. His full-page article in the **Times**, "clarifying his position" and widely advertising his innocence, was an attempt to exercise this actually feeble sentiment. This method failing, for even the paper in which the advertisement appeared pronounced editorially its scepticism, he felt that he had maintained the pose of free agent as long as was necessary, and that he could accede to the investigation without losing contenance before his subjects. The investigation revalead that 12,168 people had been slain in the massacres, though Trujillo's minister insisted that this figure was an exaggeration, and the commission of inquiry, apparently valuing the life of a worker at $61.64, suggested that Trujillo pay the Haitian government $750,000 indemnity.

This is the story of how Leonidas Trujillo, inexpensively, and with the help of our government, solved the econmic unrest of the Dominican Republic. Still, one wonders if this method was any harsher than that of Cuba, who ruthlessly shipped boatload after boatload of workers back to a country which was already overcrowded and distressed with its own economic conditions, and where they could only drag out their lives in misery and hunger. Yet these two methods of dealing with the unemployed — starving them and murdering them are the only measures left to capitalism. The happy Dominicans, together with the happy Fascist countries, that frankly organize for war, can now realize the more direct form of these two possibilities. The "democratic countries", offering dole and relief, must as yet permit them to die only from malnutrition and disease. But soon all nations, fascist and democrat, will employ the more direct form of eliminating the unemployed. Then will the massacre of Haitians be duplicated upon a world scale, but effected this time not with machetes and other primitive weapons, but with the tanks, the bombing planes, and all the other engines of death in the possession of the more civilized nations.

Thus the massacre in the Dominican Republic begins to assume its full significance. We see now that it is no isolated event remote from our lives, but that it is actually a pure example of capitalism's solution for unemployment.

WHAT CAN THE UNEMPLOYED DO?

Bootlegging of Coal in Pennsylvania

The first significant reaction to the depression on the part of the American unemployed was the wide-spread self-help movement in the years from 1930 to 1933.* Most of their organizations sprang up in the agricultural regions of the United States, primarily in the West. Those existing in cities were compelled to function by organized begging and by bartering their labor for life necessities. By 1933 most of them had disappeared. Besides these unemployed, trying the "American Way" of escaping their misery, there were others who tried new methods of self-help. Among these, the miners of Pennsylvania were the most successful.

Beyond the Confines of Private Property

Bootlegging of coal in Pennsylvania considerably agitated the capitalist world. People, unaquainted with the facts, wondered that "such things could happen". The Coal Industry Commission's report to Governor Earle

*See the previous issue of Living Marxism. Vol. IV, No. 2, March 1938, pp. 59-61.

in 1937 stated** "that coal bootlegging is a social and economic phenomenon without precedent in this country. The bootlegger is expropriating other's property to his own use, to keep himself alive. The nearest analogue is perhaps the industrial sit-down, that paralyzing new weapon of organized labor". The economic issue involved comes here clearly to light as a class issue. For this reason the movement of the unemployed miners concerns all workers and warrants a closer investigation.

The taking of coal by miners, employed or unemployed, is a long established practice in the coalfields of the country. Unprecedented, however, is the open appropriation of coal for selling purposes. Taking coal from culm and refuse banks for their own use was always considered by the miners as their "right". Always cheated by the coal companies, they felt that the coal remaining in the refuse banks actually belonged to them. This practice has been consistently but vainly fought by the companies for the last 30 years.

The depression hit the anthracite districts of Pennsylvania exceptionally hard, as the coal industry had been declining since 1926. In that year production amounted to 84 million net tons, which was reduced to 51 million by 1935. The number of workers employed decreased from 168,734 in 1926 to 100,539 in 1935. The total value of the product dropped from 466 million dollars in 1926 to 207 million dollars in 1935. The total wages fell from 256 million dollars in 1924 to 105 million dollars in 1935.***

After 1927 most of the higher cost collieries were closed, an event which meant complete ruin for many mining towns, especially in the southern regions of Pennsylvania, in communities like Pottsville, Shamokin, Minersville, Shenandoah, etc., where no industry other than mining existed. As the general situation did not permit migration and as the relief given, when given at all, was inadequate, many miners had no alternative to starvation except bootlegging.

Bootlegging of coal as it is known today has been functioning since 1930. At first it consisted in an extension of the old practice of taking coal from breaches and outcroppings, though in increasingly larger quantities, part of which was exchanged in the neighborhoods for other commodities. From bartering, the miners soon proceeded to selling. At first all activity took place under cover of night, but experience extinguished the fears and soon coal was extracted and shipped in trucks by the same methods employed in legitimate business. After 1931 bootleg coal reached cities as remote as Philadelphia and New York, and today illegal mining, with its own techniques, marketing, and organization arrangements, is a substantial industry. In 1936-37, the bootleg industry produced and sold anthracite coal at the rate of 2,400,000 tons a year, or 5 per cent of the total output of all the anthracite mines of Pennsylvania. Consumers paid about $16,000,000 a year for bootleg coal.

**Bootlegging or Illegal Mining of Anthracite Coal in Pennsylvania. Anthracite Coal Industry Commission, Commonwealth of Pennsylvana, 1937. All facts following are taken from this report, which may be considered the most reliable study so far undertaken.

***Taken 1926—100, the number of workers declined from 100 to 60, the output from 100 to 60, the total value of production decreased from 100 to 44, the wages from 100 to 41, which illustrates that no technical or rationalizing improvements of real significance were made during these years, most of them falling in the crisis period. The stagnating character of the coal industry comes here clearly to light, hence also the efforts toward its nationalization.

About 13,000 men were engaged in the industry, most of them being former miners and their sons, who made a living for about 45,000 people. During regular employment, most of these miners were members of the United Mine Workers of America.

The mines, or holes, are operated by groups of from 3 to 5 miners. The work is done on a partnership basis, but some holes employ workers for wages. In 1937 there were about 2,000 holes in operation. As the miners, for want of implements, cannot dig very deep, they have to abandon the holes after a few months and to develop new ones where coal is more accessible. The breakers employ about 4 men and work on the average about 119 tons per week. With a few exceptions, neither the miners nor the breakers are able to average a weekly income exceeding 14 dollars. The truckers and distributers have a higher income, some making as much as 70 dollars a week, but as the coal must be sold below the market price in order to be sold at all, profits even for the distributers cannot be very high. Bootlegging is possible only in certain parts of the State, where coal can easily be reached. Although a few enterprises, by pooling the savings of miners, have employed considerable machinery, in general the capital invested in implements is extremely small, and is often much below $100. The average working time in breakers and mines is about 40 hours a week.

The Struggle against Bootlegging

The significance of illegal mining was very well recognized by the employing class. Not only the "expropriated" owners, but the entire bourgeoisie were horrified by the breakdown of "law and order". They incessantly demanded action against the bootleggers. The liberal and labor press "excused" the illegal activity on the grounds that the bootleggers had no alternative and demanded that the bourgeoisie make legal provisions for the unemployed miners, so that the "excuse" could be removed. It is clear that the force of circumstance brought about this generally deplored situation, and it is also clear that the miners would prefer legal employment, as $14 a week is no real inducement to illegality, and as the dangers connected with bootlegging are very serious. Despite the absence of the driving bosses and of the speed-up system fatal to so many miners, still the absence of safety devices brings about a fatality rate in bootlegging three times as high as in legal mining. And though the miners, having lost their fear of punishment, no longer have a moral attitude regarding illegal mining, but simply go about earning their livelihood like the rest of this "god-damn" world, they are not particularly happy about their present situation and would be quite willing to return to more "respectable" employment if it were available.

The first act of the coal operators against illegal mining was to arrest the bootleggers. Judges passed dollar fines, which, as everybody knew, could never be paid. Soon the miners demanded jury trials and seldom was there found a jury willing to convict the law breakers, since everybody outside of the companies knew the situation quite well and could not conceive an end of bootlegging by court action. Some jail sentences were executed, but were unable to influence the miners. Furthermore, there were not enough jails in existence to hold all the law breakers, nor was there money enough to feed the prisoners or even to pay the prosecution expenses.

The overwhelming majority of the people in the mining towns are miners. The bourgeoisie apparently doesn't like to live where it exploits. The elected instruments of "law and order" in these towns could not easily turn against their electors, nor the storekeepers against their customers, the priests against the hands which feed them. Bootlegging was justified from the pulpits as well as in the court houses and certainly in the general stores, which awaited payment from their debtors. As all the non-producing elements in the mining towns had formerly depended on legal mining they now came to depend on illegal mining.

This attitude and necessity is explained, furthermore, by the concentration process in the coal industry. About 65 per cent of all the bootleg miners are working on lands belonging to one company, the Philadelphia and Reading Coal and Iron Company. The company closed the unprofitable mines in accordance with the ethics of capitalism — that is, by totally disregarding the social consequences of this act. The miners "deserted" by capital, found it easy to desert the capitalist cause. Throwing the unemployed miners on the local and state charitable organizations did not create much sympathy for the suffering capitalist enterprises. But just the same law is law, and the state machine represents the whole of the capitalist state, and not only the southern part of Pennsylvania where bootlegging flourishes. The actions of the miners had to be denounced in principle, even if they could not be stopped in reality.

In September 1932 the operators appealed for an embargo on bootleg coal and for police action. But the State pointed out that there was not available a police force large enough to cope with the situation. After all, Pennsylvania is not yet Spain. Mass murder is still a questionable method. The problem would still remain of what should be done with the unemployed if the police succeeded in stopping illegal mining. Somehow the workers would have to be fed, and considering everything it was more economical to let the workers "steal" their livelihood, than to serve them with relief. Further-more, relief was so meager that bootlegging was unavoidable as a means of supplementing it. As a matter of fact, the coming of Federal Relief and the WPA did not stop bootlegging to any significant degree.

With their own private police force the companies continued to harrass the miners and truckers of the bootleg industry. But in 1933 there was considerable unrest in the mining areas. Demonstrations and protest movements led to a "dangerous situation", and forced the operators to lay low again. Miners went on strike in sympathy with the bootleggers; other unemployed joined the forces of the latter; and equalization of work between the collieries was generally demanded. Against protests and appeals reaching as far as Washington, the Reading Coal and Iron Company shut more mines in 1934, and the bootleg industry could not help but expand. But still, law is law and bootleg coal distributors were arrested in Philadelphia and New York. By closing the distributive channels it was hoped to close the holes in the hills of Pennsylvania. The truckers then organized into associations and fought their cases in the courts. The miners also organized in the Independent Miners of Shamokin and Vicinity and in similar organizations. In April 1935, the Holstrom Bill, calling for the issuance of permits to coal haulers on state highways was introduced in the State legislature. Five thousand bootleggers marched on the Capital, Harrisburg, and the bill was withdrawn.

In 1936 the operators tried again to get governmental help to end bootlegging by police methods, but were once more turned down. The State initiated an investigation committee which was supposed to bring in with their report suggestions for a solution of the problem. So far, however, no solution has been found, other than Governor Earle's suggestion of nationalizing coal. But neither the humanitarian Governor of the State of New York nor the still more humanitarian Mayor of the City of New Cork were willing to wait for Bolshevism in the coal industry, and bills were passed designed to stop bootlegging by regulating the sale of coal. However, bootlegging continued, though at a somewhat slower pace for a while, because of the temporary improvement of conditions, but now again on a larger scale.

The Meaning of it all

The existence of the bootleg industry tells a manifold, far reaching story. First it illustrates in a concentrated way all the idiotic arrangements prevailing in present-day society. Coal is a social necessity, but as a natural resource it exists only in limited quantity. There is no sense in wasting coal or labor power engaged in its extraction. Technical development has allowed for greater productivity in the mining process, though the workers exploited more intensely, did not profit much, if at all, from the technical improvements. But in the bootlegging industry technique has ceased to exist; coal is again extracted in the primitive manner of the middle ages. It is also extracted without regard to the near future of coal mining, which is incidentally of concern to the capitalist owners, who would extent as much as possible their profits from the mines. The bootleg holes weaken the rock and dirt formation above coal veins that lie further down, and when abandoned they constantly threaten the deeper legitimate workings with flooding. But today this is primarily a problem for the legal owners of the mines, though in the last analysis it really is a social problem concerning everyone. Safety devices cannot for lack of investment funds be employed sufficiently by the bootleggers, and those existing in the deeper legal mines lose part of their value because of new dangers caused by the encroachments of the bootleg holes. Safety engineers have thus labored for nothing; the results of their work are hampered by the present situation, which means so many more broken bones and crushed skulls for the miners.

As far as the much bewailed breakdown of the legal process is concerned, that shouldnt even worry the capitalistic minded worker. For it only *seems* as if the workers have escaped exploitation by capitalists; in fact they are more exploited than before, though no longer by particular firms but by the prevailing system of capitalism of which the particular firms are a part. The complaining coal operators are not so much concerned about the fact that the bootleg mines are operated in opposition to established property principles, but they see in this activity the re-appearrance of a capitalist form of "unfair competition", with which they have to reckon. Since bootleg coal is sold at a lower price than legally mined coal, it cuts into the markets of the coal companies which are already considerably shrunken. The monopoly position of the concentrated coal enterprises will be threatened if bootlegging increases. Whatever the latter gain, the former will lose; more mines working on small profit margins will be closed, and more bootleg mines will spring into existence. The competition largely eliminated by capital concentration threatens to return through this kind of expropriation.

However, this fight against capitalist monopoly is fought with unequal-weapons. The primitive working methods have to vie with the highly developed technique in the functioning mining enterprises. To undersell legal operators today results in a meager wage of about $14 a week. New and improved methods of production in the legal mines, will lower the income of the bootleggers until nothing is left. The pressure brought about by bootleg competition will help to force down the wages of the "legal miners". To hold their jobs they must help maintain their companies' profits and will finally discover that bootleg competition disturbs their own interests as well, that is, as long as they think in capitalistic terms. Thus, if bootlegging increases considerably, the unions, to keep themselves alive, must also turn against it, in order to keep wage rates on a basis which allows for their existence. Bootlegging increases or re-establishes competition among the coal producers, as well as among the miners themselves. And here too all the odds are against the bootleggers. Because they are always forced to undercut the regular prices established by general competition or by monopoly prices, their income will always be lower than the income of other workers. The technical backwardness and other restrictions characteristic of their means of operation, outweigh by far the profit yields pocketed by the individual capitalists, as has been proved by the previous history of bootlegging. Illegal mining then presents no way out of the miseries for the unemployed miners, for it is not enough to escape particular exploiters and still remain in the capitalist society. The latter determines the life of the workers; the former only the place of exploitation. Only as long as their competition is not a serious one can it assert itself. If bootlegging should become a real menace to private industry, the operators will eventually drive the bootleggers out of business, even without the forces of the state and the law, but merely by way of ordinary competition, wage cuts, improved techniques and increased speed-ups. That this has not been done as yet only illustrates the fact that the problem is not considered as of first importance so far. The troubles and losses involved would at present cost far more than could be gained by the attempt to eliminate the bootleggers. Therefore only those means which could be obtained for nothing were used to check the movement and keep it within limits. Then too, since coal can only be extracted near the surface at certain restricted places, the geographical limitations of bootlegging induces the operators to wait and win rather then to strike and succeed.

What Bootlegging means for the Workers

The most important lesson to be drawn from the Pennsylvania miners concerns their action as such. That this action cannot solve their problems either of t o d a y or tomorrow has no bearing on the question. The miners did not act because they thought their action would solve their problems, but because they did not see any other way to turn. There was no organized propaganda nor encouragement by organizations which induced them to enter bootlegging. They simply did what they were accustomed to do, though on a larger scale. All the complexities involved in the question of bootlegging, which occupied government commissions for months, resulted from the simple process of their taking more coal than before to exchange for food. The problems of all workers are here, so to speak presented in a nutshell. All that is really necessary for the workers to do in order to end their miseries is

to perform such simple things as to take from where there is, without regard to established property principles or social philosophies, and to start to produce for themselves. Done on a broad social scale it will lead to lasting results; on a local, isolated plane it will be either defeated, or remain an unsuccessful attempt unable to serve the needs of the working class. When the large masses face a similar general situation as the Pennsylvania miners faced in their specific case, we have every reason to assume that they will react in the same way. The bootleg miners have shown in a rather clear and impressive way, that the so much bewailed absence of a socialist ideology on the part of the workers, really does not prevent workers from acting quite anti-capitalistically, quite in accordance with their own needs. Breaking through the confines of private property in order to live up to their own necessities, the miners action is, at the same time a manifestation of the most important part of class consciousness, — namely, that the problems of the workers can be solved only by themselves. This class consciousness grows out of the need for action, and the contradiction of capitalism, and not from the ideas and the ability of smart leaders. That the other self-help organizations, which we discussed previously, did not teach such a positive lesson to the workers, is not due to the fact that the workers involved therein were less "class conscious", or more "patriotic", but because in their territories there was still a chance to get along in the "American Way", thus there was no necessity for them to act as "unpatriotically" as the Pennsylvania unemployed. But the one as well as the other form of these movements, shows very clearly that men do what they can do and what they have to do, and think accordingly.

Nationalization of Coal

The case of the Pennsylvania miners is also an indication of certain general social and economic trends. First there is the concentration process of capital, here expressed in the fact that the majority of the miners of Southern Pennsylvania were subordinated to one large company. Then we observe the decline of profitability — only the most productive mines could be operated profitably, and whole towns were suddenly without possibilities for living. Next we see here the total absence of the possibility for migration, for wherever the miners could have gone, they would have discovered what they had left behind. To condemn the companies is easy and we certainly do not object to this, but it is rather pointless. To demand that these companies be abolished is also senseless, for they have already abolished themselves. No solution can be found locally. The workers demand work, the capitalists, profits. Neither of these demands can be satisfied, for both are not determined locally but by national and international conditions. The hopelessnes of the situation brings about the demands for the nationalization of coal, which would mean that the government would assume control of mines and their production. Then the price of coal would be fixed according to what production and distribution plus administration would amount to. But this describes only the most favorable conditions, for if coal could not be sold at such a price, it would have to be sold at a loss, the deficit to be made up out of the general tax income. That would mean practically that the rest of the population, that is, all the workers, would have to pay for the privileged position obtained by the coal industry.

Coal is not produced in the quantities possible, for such a production would not yield profits. Yet, there is no shortage of coal on the market. Either the coal production will be cheapened and sold abroad below the world market prices and so make miners idle in other countries, or, unsold, it will be piled up and after a while force the restriction of production, regardless of the nationalization of the industry. It is not possible to expect a general up-swing of capitalist production from the lowering of coal prices alone, nor is it possible, in the long run, to dig holes in the earth to produce mountains of coal on the surface. Only if the general capitalist conditions improve with a progressive accumulation, can the demand for coal be raised sufficiently and unemployment mitigated. But the nationalization of coal is only another expression for the relative stagnation of the capitalist accumulation process. On the basis of such stagnant conditions, the nationalization of coal can lead only to further nationalization of more, and eventually of all industry, in a re-organization process, which permits the continuation of the capitalist forms of production and distribution despite diminishing profits. But this other temporary solution is already "Bolshevism" and presupposes social upheavals to an extent dangerous to the whole exploitative system as such.

The demand for the nationalization of coal in America is possible only by way of compensating the owners of the industry. In this manner a solution is presented for many individual capitalists, whose unprofitable mines are also unsaleable. The nationalization would largely mean state support to capital. And as the compensation would have to be paid out of the socially created products, it would mean that the workers have to solve once more the diffculties of their exploiters. All theory surrounding the question of nationalization boils down to nothing more than wage cuts for the workers. But even this would not solve the problems of the miners, for their continous employment presupposes a general and progressive unfoldment of capitalism, whereas the subsidies and wage cuts indicate the opposite trend. Whatever will take place, the nationalization of coal offered as a solution, is, even in advance, in need of a solution itself.

(To be continued in the next issue. Next chapters: Organizations of the Unemployed. — The New Deal in Welfare.)

BOOK REVIEWS

America's Stake in International Investments. The Brookings Institution, Washington, D. C., 1938. (710 pp. $4.00)

Like most of the publications of the Brookings Institution, this book by Cleona Lewis and Karl T. Schlotterbeck presents an impressive accumulation of factual material of the highest importance to the economist, sociologist, historian, and the general reader. No theory underlies this study; the facts speak for themselves, and thus the book serves a useful purpose. Although the "neutral" postion taken by most of the writers connected with the Brookings Institution is only another form of capitalistic bias, the results of such studies may very well serve entirely different functions then those intended.

The facts assembled here tell the story of America's investments abroad and of foreign investments in America, and it compares the investment activities of the different countries in their historical development and in their different forms. As regards investments there exists no fundamental difference between the many capitalist countries. Debtor

nations change into creditor nations, and vice versa. All capitalist countries have invested more or less capital in one form or another, or in all forms, at all times. The height of capitalist development and the success in international competition determines the proportional relations of investment activities among the different nations. Some countries like England, are relatively successful with their foreign investments; others, like France, are not quite so fortunate. The reasons for the preference of one or the other form of foreign investments, by one or the other nation, is explained by particular circumstances confronting the search for higher yields. Foreign investments are somewhat more complicated affairs than investing capital in one's own country, but fundamentally there is no difference between both, and the extent of both is determined by the general world conditions and the conditions within in the single countries. The relative stagnation of capitalist accumulation, contracting world-trade, also reduced foreign investments considerably. Those in existence before the depression of 1929 were depreciated to a large extent.

America changed from a debtor to a creditor nation during the course of the World War. This process is seen by the authors as an inevitable one, which the war did not cause but only hastened, and that, by stimulating the tremendous loans and credits to the Allies, and later also to the enemies, to enable them to reorganize to serve their own and America's needs for profits. America in 1929 had invested abroad a gross total of 17 billion dollars. This declined until in 1937 it was only 13 billions, or with foreign investments in the United States deducted, the decline ranges from 8.1 billions in 1929 to roughly 5 billions in 1937.

Foreign investments "relate to the prospects for pecuniary gains, for the expectation of profit remains the touchstone by which investment opportunities are tested". Such investments become at once possible and necessary after a certain stage in the capitalization process of a country is reached. As far as those investments serve foreign trade they will always have to exist in some way or another, as national capitalism is not self sufficient. Export of capital in its many forms will take place when the expectations for higher profits, or simply for profits, are possible, or possible only by investing abroad. The decline of profitability in the United States since 1920 has led to a tremendous investment activity abroad, to the lending for all possible, and also impossible, purposes. Wholesale defaults, moratoria, and standstill agreements have turned a large portion of these investments into losses, just as once America's defaulting wiped out large European investments in the United States.

The present instability of capitalism finds its expression also in the fact that most of the present capital movements from country to country are determined not so much by the profit motive, as by the desire for safety. To keep what one has counts already as success, since to enlarge it becomes less and less possible.

The authors see a dark future for American foreign investments. Already a large portion of the American loan to foreign corporations "was utilized for improving the living conditions of foreign populations. Loans for strictly productive purposes accounted for a very small part of the total credit extended to foreign governments and foreign corporations." Also, the growing state control in many countries with its "new labor legislation, land laws, tax legislation, control of railway and public utility rates, are serving to reduce the profits formerly realized on many kinds of entrepreneurial ventures, while political shifts of various kinds are further narrowing the field for such investments." However, at the same time, new tariff laws, are opening new investment opportunities abroad. "Foreign tariffs, by raising prices of imported commodities, give assistance to capital — both foreign and domestic — invested in the protected industries. Thus, new foreign tariffs— expressions of a national desire for self-sufficiency in many countries, or demands for protection by powerful groups in other countries — serve to invite and encourage the migration of American branch factories into

protected areas". It is very important to recognize that the present drive towards governmental control of industry and its accompanying tariff regulations, etc., have a twofold effect upon capital: it is detrimental but also favorable to profits. One group may gain by it and another lose, so that this whole "new" development comes clearly to light as only another form of "old" capitalist competition. When demonstrated on foreign investments, it becomes clear why capital is neither fascistic nor democratic, but simply a profitmaking institution whose attitude to governmental forms is always determined by its profit needs, and those, as they have to assert themselves by way of competition, may at times even reduce a war between fascism and democracy to the "primitive" struggle for profit between two or more differently interested capitalistic groups. The book makes clear, though not willingly, that capitalism has no principles; that all its different policies are only serving the single purpose of bringing profits to the ruling capitalistic groups. However, these possibilities become more and more limited, at home as well as abroad. "Changing world conditions", to quote the authors once more, "undoubtebly have been narrowing the opportunities offered both for the extension of foreign loans and for the making of new direct investments abroad". The hope is expressed in the conclusion that the Government of the United States will see, "that policies affecting international investments should be so designed as to safeguard the larger public interests at stake as well as the immediate interests of the investors." That is, the book ends with the empty hope that the impossible may be made possible.

Caste and Class in a Southern Town. By John Dollard. Yale University Press, 1937. (502 pp. $3.50)

Dollard's study, undertaken for the Institute of Human Relations of Yale University, deals with the social and emotional life of a small community in the South. Life is here dominated by two forms of organization — caste and class. The attitudes of both white and negroe as determined by caste and class are studied and described by analytical methods in such an impressive way that even readers not in sympathy with the Freudian approach will considerably improve their understanding of the conditions in the South, typified by this town. The author participated in the social life of the community and questioned people from all groups there. Well-known habits and ideas of southern people are once more illustrated but in a way which brings out, even though unintentionally, the impossibility of any changes without corresponding fundamental social and economic changes. The reader feels that a new Civil War might be necessary to do away with the barbarous conditions described; that the ideologies in the South are nourished by the desire to avenge the defeat of almost 70 years ago. The author, a Northerner, often felt "like the last of the carpet-baggers, like a lone raider following in the wake of the Union armies". The caste barriers are recognized as largely a "protection against competition from the Negroes". The Negro is to be kept in "his place", but even that place vanishes under his feet. The poor whites, a frustrated class, are, as L. W. Dobb points out in the Appendix to the book, "seeking a solution for their frustration and do not find it within the pattern of their own environment." Their own hopelessnes finds a kind of consolation in race prejudices and a sort of misdirected protest activity against their own miserable conditions. The poor whites are not the lowest caste, however low their living standards may be. Too weak to fight their real enemies, and therfore to weak to recognize them, they turn their hate to the negroes, with whom they also have to compete for jobs and tenancy. However, it is noted, that race hatred is less strongly expressed among the poor whites than among the white middle class. It is also noted that white and negroes will often forget caste issues to fight a common class issue.

Living conditions in the South are unbelievably low. To mention one fact, wages range from 75 cents to one dollar-and-a-quarter a day. The low income of the tenants is still less credible; facts here are actually stranger than fiction. The pauperization is greatest among the negroes, as is illustrated, for instance, by the fact that infant mortallity among negroes is three times as high as among the whites.

The best that may be said for Dollard's book, whose contents cannot be adequately dealt with in a short review, is that its approach to the problem has undoubtedly succeeded not only in making the prevailing situation in the South visible and comprehensive, but also in bringing this situation in all its cruelty and misery so near to the reader that he might be actually haunted by the disgusting conditions, and in that way may slowly be oriented towards the developing of what is called a social conscience. However, the peculiar conditions in the South are unseparable from the conditions in the North. The frustration in the South is largely based on the accumulation of wealth in the North. Still, cessation of this accumulation will not effect anything favorable for the South, but will only make the difficulties existing there still more intolerable and will foster all these ideologies described by Dollard. An end to such conditions cannot be expected by political changes in the South, but only by decisive economic and social changes in the entire America, and even, to a certain extent, in entire world capitalism.

America on Relief. By Marie Dresden Lane and Francis Steegmuller. Harcourt, Brace & Co., New York, 1938. (180 pp. $2.00)

Trends in Relief Expenditures. Works Progress Administration. Division of Social Research. Washington, 1937. (117 pp., free)

This Question of Relief. Public Affairs Pamphlets. 1938. (32 pp., 10c)

Research Monograph X of the W. P. A. Research Division is, like all other publications of this institution, of the highest value to the student of social conditions in America. Here for the first time are collected scattered and fragmentary data on outdoor relief expenditures before and after the depression. The upward trend in expenditures for the last two decades is demonstrated in connection with the shift from private to public relief. The increase in both public and private relief expenditures, as is brought to light here, has been greater than the growth in population; that is, it corresponds to the increase of exploitation and misery accompanying the capitalist accumulation process. The rate of increase of public relief expenditures has greatly exceeded that of all governmental expenditures combined. The importance of the relief problem and the impossibility of solving it manifests itself unmistakebly here in charts and figures.

This Question of Relief, prepared by Maxwell S. Stewart, tells the above story in a more popular, journalistic, and restricted form for propaganda purposes. He approaches the question from a liberal moralistic point of view. He "feels" with the unemployed and wants a "sane" relief policy designed to turn even the present misery in some kind of pleasure. He is not against the "dole", but he prefers work-relief. On the basis of the popular underconsumption theory he approves of "priming the pump", and demands a national program as against local control, the attainment of the self-respect of the recipients of relief, and relief corresponding to the "American standard of living", whatever that might be. At the same time the lowest administration cost is advocated. Administration should be taken out of the hands of the politicians and be turned over, to the trained social workers. In other words, a "friend of the workers" here speaks his mind, but in such an unrealistic manner, so unfamiliar with the real situation that one can not help but warn the workers: beware of your "friends"!

The "trained social workers", Marie Dresden Lane and Francis Steegmuller, also friends of Hopkins and the workers, demonstrate in **America on Relief** what they would like to do to the unemployed if Mr. Stewart were to have his way. Once more the relief situation is described and the previous treatment of the situation mildly criticized. The method of distributing the money available has to be improved. "Pantry-snooping" by social workers was not sufficient enough in saving on relief costs. The theme of the whole book seems to be that in the long run it would be cheaper to employ more and more efficient social workers. That this is supposed to be good also for the unemployed and society at large is to be understood at the outset. But still, all the authors can propose in the present status of relief is saving by reducing costs, and this program is presented as a struggle against waste, inequality and graft. Some people don't need relief, others receive to much, while still others not enough. The equalization of the existing misery is sought by taking from where there is supposed to be too much, instead of increasing where there is obviously not enough. Though they don't dare to advocate openly the reduction of work relief wages, they do so indirectly by pointing out that it is unfair to give some unemployed union wages and incomes as high as $94 monthly and others hardly enough for subsistence. But in no place do they mention that fact that the incomes of the social workers exceed by far even the highest of the work-relief wages. Their own favorable income position doesn't bother them the least; what worries them is the inequality among the paupers, and also the fact "that the great majority of the professional and technical W. P. A. workers have never received an average yearly wage as high as that which they are now receiving on the W. P. A." But they seem to see nothing wrong with such miserable wage standards existing in private industry, but only with the still miserable standards prevailing on the W.P.A. which they think too high in comparison with the former. They demand the "elimination of the wage differentials and recognition of family size". That they don't mean equalization towards the maximum but towards the minimum W. P. A. wages becomes clear in the fact that the whole argument is based on the idea of saving on relief costs by better distribution. This also forces them to consider family size, as hardly more than a single person could exist on the miserable minimum wage paid today by the W. P. A. They disregard the capitalistic need for division in order to rule, but they also express the narrowing of this traditional policy of handling the poorer class, which may force the capitalist society to equalize misery, though it means greater difficulty in holding down the exploited class. There are many more suggestions in the book, but none opposes its general theme, that is, to save on the unemployed by paying more to the social workers, and to proceed from "pantry-snooping" to snooping everywhere. The whole spirit of the book, with its authoritarian attitude that would regulate the life of the "lower classes", is deeply disgusting. Such books, however, will indicate to the workers that the "social workers" when they speak of the needs of society always meditate their own needs; that as servants of capital they have to be approached like all the other servants and police forces of capital; that from this group nothing favorable can come to the workers; and that the needs of the unemployed can be served only by the unemployed themselves.

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LIVING MARXISM

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This magazine, published by the Groups of Council Communists, consciously opposes all forms of sectarianism. The sectarian confuses the interest of his group, whether it is a party or a union, with the interest of the class. It is our purpose to discover the actual proletarian tendencies in their backward organizational and theoretical forms; to effect a discussion of them beyond the boundaries of their organizations and the current dogmatics; to facilitate their fusion into unified action; and thus to help them achieve real significance.

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ORGANIZATIONS OF THE UNEMPLOYED

The tremendous growth of unemployment in the depression of 1929 created a relief problem which could not be met by the existing local and state relief institutions. However, it was generally believed that the depression would be of short duration, and for a long time no serious attempt was made to adapt the relief policy to the needs of the situation. The Communities were expected to solve their local problems by an extension of their charity work. As late as 1931 President Hoover* was of the opinion that

> **"the maintenance of a spirit of mutual self-help through voluntary giving is of infinite importance to the future of America... No governmental action, no economic doctrine, no economic plan or project can replace that God-imposed responsibility of the individual man or woman to their neighbors."**

However, in less than another year, the "God-imposed responsibility" was recognized as impotent. State and local relief funds were exhausted, and the Federal government was forced to participate in the welfare work with Reconstruction Finance Corporation loans to the states and communities.

This change of policy was forced upon the "rugged individualists." By the end of 1932 the politicians and economists were increasingly prone to express fearful prophecies to the effect that if a satisfactory solution of the unemployment question were not found soon, great sociologic convulsions would be unavoidable. The politico-social crisis could be overcome only by a sharp turn in social policy and conscious intrusions into the economic mechanism.

The radicalizing of the employed as well as of the jobless masses was making great progress: hunger marches, spontaneous unemployment demonstrations of all sorts, and even plunderings, became increasingly frequent. Unemployed organizations came into being or were formed by existing political organizations. The unrest of the unemployed became a matter of great concern, since it functioned in an atmosphere of general uncertainty and social tension. In and of itself the unemployed movement was too weak to

*Address on Unemployment Relief. Oct. 18, 1931.

pass the bounds in which it could be held down with the usual instrumentalities, but in conjunction with the state of mind prevailing throughout society under the impact of the crisis, it formed the seat of a general fermentation which at times promised to assume a revolutionary character.

Charity serves practical functions. It masks the cruel social relations, and it helps to clean the streets of a portion of the "human scum." However, it becomes rather a bad joke in times of depression, when millions of "able workmen" are forced to look for help. The transformation from charity to unemployment relief becomes unavoidable. But this transformation will be postponed as long as possible. Only when enough pressure is exerted from below, will the necessary legislative steps be taken, since any change in policy is possible only by friction and struggle. The initial move for a change has always been compelled by the masses, or by the desire and needs of the "authorities" to prevent mass action. However, after this initial move is made, it brings in its wake additional reforms, which often seem to have no connection any longer with the social pressure which impelled them. The illusion is thus created that the rulers of society have the choice between the one or the other policy, and that the influencing of the rulers, that is, parliamentary activity, might be sufficient to effect changes in policy favorable to the masses. In reality, however, without the pressure of the masses, nothing of any importance has ever been given to them. To feed the unemployed, the necessary funds have to be created either by taxation or by inflationary measures, both of which involve losses for other social groups. The pressure of the unemployed for relief involves a struggle among the classes as to who is going to pay the bill. This struggle forces additional measures to compromise situations, or to defeat one or the other group, and in this way, out of a simple mass demand for unemployment relief, there may arise a whole series of political changes which, on the surface seem to have nothing to do with the action of the masses, but which can be explained only by that very same action. Of course, all other social and economic problems also play their part; nevertheless, mass pressure is most important. To be sure, such changes can be undertaken only within the framework of the present exploitation conditions, but within these boundaries a wide range of possibilities exists. The workers may be sure that the much hailed "New Deal in Welfare" did not result from the wisdom and humanity of certain politicians. These most-beloved "virtues" were rather the result of the unrest of the broad masses, and this unrest forced a new policy, together with new politicians, onto the social scene.

The unemployed organizations like to view these accomplishments as results of their own activities, and, in turn, these new accomplishments are pointed out as incentives for further struggles, for still better things to come. Success depends, of course, upon organization; without organization nothing will ever be accomplished, but this widely shared opinion, however, still leaves unanswered the question as to *what kind* of organization. The answers given are really simple; each organization maintains that its particular education, specific form of organization, and exclusive emancipation program will do the trick. And it could not be otherwise; competing establishments will not admit that the commodities of the next enterprise are also worth while buying. The struggle for existence involves the struggle against competitors.

To lament against such "narrowmindedness" means only to lament against capitalism; and the struggle against the latter already implies the struggle against the existing competitive labor organizations.

The question as to *what kind* of education and organization will serve the needs of the workers becomes still more complicated when we remember that no organization despite their assurances to the contrary, really presents a consistent structure or program. Although these organizations exert more or less influence upon the workers and society at large, they are themselves influenced even more by social life and changes therein. This fact is reflected in their political shifts, designed to maintain and serve the organization. With the establishment of the custom of collective bargaining, for example, even an organization like the IWW was forced to break with well established traditions in order to benefit by the boom in unionism, of which it was in dire need and to resort, at least to a certain extent, to the much hated contract-making with the employers. Fundamentally, to quote a second example, there is no difference between Lundeberg's present leaning on the much hated strike-breaking A. F. of L. to save the organization from being crushed by Bridges' strike-breaking CIO-Union, and, say, the changes of policy within the Third International since Hitler's advent to power, or the "inconsistencies" of the Anarchists in Spain in relation to the State, or the countless "betrayals" of the "Marxist organizations" all over the world. The only difference is one of magnitude, which then determines the practical meanings the changes assume. In all cases the "inconsistencies" are aimed at keeping organizations alive, or to force their growth by adapting their policies to the needs or possibilities of the moment. To the question then of *what kind* of organization is essential to the struggle of the workers no absolute answer can be offered; the answering will be made, not by "organizations", but by particular groups within the organizations, and in different ways at different times.

The cry for organization as such is an empty slogan, for it has not one but a thousand meanings. So far all organizational activity has been by necessity of a self-seeking character. Organization did not serve the workers; the workers were served only insofar as serving them helped the organization. Small opportunities were given to unemployed organizations, yet even in this field, because of their subordination to the political parties, the unemployed organizations did not function so much to serve the jobless, but sought to enlist the latter with the purpose of strenghtening the positions of the "mother-parties". Capitalism however, itself a marvelous organizer of masses, is not afraid of organizations as such, it is concerned only with real activities, organized or unorganized, which interfere with its own well-being. Having made the statement that the changes in welfare policies were mainly the result of mass pressure, and this especially on the part of the unemployed, we are now impelled to investigate what role the unemployed organizations actually played in this process, what specific form of organization or policy, if any, led to success, and what conclusions may be drawn for the future unemployed activities.

Besides the varied self-help organizations* springing up in the years 1930-32, there also came into being during the same period a series of un-

*Compare: What Can The Unemployed Do? — Living Marxism, No. 2; pp. 59-61, and No. 3; pp. 85-92.

employed organizations demanding adequate relief. Some of these organizations were engaged in both self-help activities and organized attempts to get relief from the authorities, as for example, the *Seattle Unemployed Citizens League,* which by 1931 claimed to have 5,000 members. The collapse of self-help schemes transformed this organization, as well as others, into unemployed circles interested exclusively in obtaining relief. The organizations arose out of individual connections of workers at relief stations and labor forums, or were formed by church communities, ward healers, or individuals with an urge to help the poor. Some organizations succeeded for longer or shorter periods in attracting considerable numbers of workers, others remained discussion clubs; but none of them asserted any significant influence upon the relief situation, and most of them had ceased to exist even before the New Deal had made it difficult to organize the unemployed on relief issues.

With the exception of the Unemployed Unions of the IWW, which were formed in 1932, all unemployed organizations demanded better relief, work relief, and a more efficient welfare system. Some of them came out with demands for social legislation, and especially unemployed insurance. The question of relief funds engaged other organizations in discussions of tax problems. The usual increases in "sales tax" were denounced as mediums for lowering the life standards of the masses, and a tax on the rich was requested instead. However, in this field, the voice of the unemployed was totally ignored.

Since 1932 the political labor parties engaged in the formation of unemployed organizations. In the first year of their existence the *Unemployed Councils* (UC) of the *Communist Party* (CP) were without doubt the most aggressive and effective organizations. Those groups organized with the help of the *Socialist Party* (SP), and best known as *Workers Committees on Unemployment* (WC) were the more "respectable" of the two main unemployed organizations. The latter, working in close connection with liberal welfare organizations and various church denominations, were more interested in fostering social legislation, using the unemployed organizations to demonstrate impressively the necessities of reforms. For this reason there was a competitive struggle between W. C.'s and U. C. 's, and this struggle at times forced the first to engage in unwanted radical actions. The U. C. were the dominating organization in some cities, and the W. C. in other cities. Smaller organizations continued to operate in their shade. There was nothing remarkably different about these independent organizations. Save for possible exceptions unknown to us it may be said that they were rather more conservative and less inclined to engage in struggles for relief.

The C. P. — dominated U. C. were organized in branches, districts, counties, state and national organizations. Special importance was laid upon the needs of the single man, fighting on breadlines and in shelters for their existence. This activity brought to the U. C. more aggressive elements and gave it the character of a proletarian organization, despite its professional but, whenever possible, hidden petty-bourgeois leadership. The intensive propaganda work carried on by the U. C. with the help of party funds, and especially their struggles against evictions, which were supported by many unorganized workers and also by those belonging to other organizations, gave the U. C. the character of an organization of direct actionists. Conflicts with

the police in eviction struggles, hunger marches, and demonstrations made out of the U. C. the most popular organization, although its numbers were far less than those of the W. C. However, the political domination by the C. P. devaluated to a large extent the work of the U. C. The actions were not undertaken to serve mainly the needs of the jobless, but to foster the general policies of the C. P., and any conflict between the needs of the workers and the political desire of the C. P. was decided in favor of the latter. This attitude was also common to the other organizations, but not in such a consistent, single-minded fashion. There was never the slightest hesitation on the part of the C. P. to split or destroy any organization, including their own, to eliminate or hamper any kind of activity out of harmony with the party needs. But as long as there was no contradiction between the aims of the party and the needs of the U. C., most of the credit for organized unemployment has to go to the U. C. The struggle of the U. C. against evictions was connected with attempts to force the lowering of rents with renter's strikes, which, however, largely remained empty threats. In its election platform of 1932 the C. P.* had already incorporated the demand for unemployment insurance. In distinction to later requests, this early program contained the illusory demand "that the insurance and relief system be administered by the workers themselves." The Federal Government was supposed to

> "institute a system of insurance, on the basis of full wages, for all unemployed and part-time workers, the necessary funds to be paid entirely by the employers and the State and to be raised by the allocation of all war funds, a capital levy, increased taxes upon the rich, etc."

Much stress was laid upon hunger marches to state capitals and to Washington. The participation of reliefers in these marches was minimal. These attempts could be considered only as more or less successful publicity stunts, which lost their value in repetition.

The socialist-controlled W. C. called and participated to some extent in hunger marches, demonstrations, or action at the relief stations. The political control of the W. C. by the S. P. was less rigid than that exerted by the C. P. over the U. C., but not because of the greater wisdom of the S. P. leaders, but because the S. P. was not especially fond of being identified with radical activities. Being an extremely capitalistic minded organization, the S. P. advocates Socialism in the same manner as the Church preaches the goodness in man. It is also more interested in the salvation of the soul than in the welfare of the body. In short, it is an organization designed to make an interesting living for some of its members, and to provide entertainment, education, and hope, for the rest of them. The work of the Socialists within the W. C. was largely restricted to educational measures and, by arranging W. P. A.—classes in the "social sciences", served practically the educators hired by the government when the latter took over the education of the unemployed. The W. C., in counteracting the "bad" characteristics of the unemployed movement, that is, the tendency towards direct action, essentially fostered the "respectability" later adopted also by the U. C. and the C. P., which allowed the organized unemployed movement then to become a "government-recognized" institution designed to serve some lobbyists in Washington. Save in phraseology, the legislative program of the W. C. did

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*W. Z. Foster. Toward Soviet America. p. 248.

not differ from that of the C. P. The W. C. also was organized into locals, county organizations, state and national bodies. However, the organization was more flexible than that of the authoritarian C. P. In some cities a house of delegates brought representatives of locals of both organizations together.

In relief work the main function of these and other organizations was the installation of grievance committees, calculated to assist workers in getting the established relief rates. At certain places these grievance committees were welcomed by the relief authorities and, at others, they were opposed, so that the struggles of the unemployed were, for a time, centered around the question of the rights to grievance committees. Principally no one had anything against such committees. R. L. Johnson, welfare director of Pennsylvania wrote, for instance:*

> "I set up in the state headquarters a bureau whose sole function was to deal with the organized unemployed. We established in each county, committees of three to represent the people on relief and to meet weekly, either with the county administrator or his representative, to go over grievances. In all my dealings with the unemployed, I was guided by the firm conviction that the best way to lick the problems of Fascism and Communism and to minimize the dissatisfaction and misunderstanding among the unemployed was to give them an opportunity, at least once a week, to air their grievances, which certainly are heavy, before someone authorized to correct any injustice."

However, the original grievance committees were of another character; they were combined with the continual threat of mass action at the local stations and functioned, not with specific rules, but in accordance with the militancy of the workers. To remove the "obstructive" character of the committees, the authorities established central bureaus to consider grievances, and thereby took away responsibilities from the local stations and reduced the committees to mere servants of the case-workers. The unemployed organizations did not succeed in their attempts to stop this emasculation of the grievance committees.

The aforementioned *Unemployed Unions* of the I. W. W. were of the opinion that relief could not solve the unemployed question, and that it was necessary to put the jobless back to work by shortening the working day for all workers to 4 hours. Their policy was the "picketing of industries" to impress upon the employed workers the need for opening the factories to the jobless. To foster the understanding necessary to fulfill their program, they advocated the participation of the unemployed in the strikes of the employed. They did not propose any immediate relief demands, and in actuality the Unemployed Unions were nothing more than agitation committees for the I. W. W. However the U. U. did not grow, and they were later abolished. The unemployed were advised to enter the regular Industrial Unions. Regardless of their special philosophy the Wobblies like all other workers organized or unorganized, participated in all the daily activities of the unemployed, demanding and fighting for better relief, even though "relief could not solve the problem."

Though it is not possible to connect the solidarity between employed and unemployed with the insufficient propaganda of the insignificant unemployment activity of the I. W. W., this solidarity was demonstrated in many

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*Saturday Evening Post. March 28, 1936, p. 97.

strikes during this period, as, for example, in the Detroit Autoworkers strike in January—February 1933, and in the street car conductors strike in Milwaukee in the same year, and in many other instances. This fact is the more remarkable, as, "more than in other countries, it was always comparatively easy in the United States to get unemployed to act as strike breakers."*

Since the first beginnings of the organized unemployed movement, attempts were made towards national coordination. In November 1932 the *Unemployed Citizen League of St. Louis* and the *Chicago Workers Committee on Unemployment* called a conference in Chicago, out of which resulted the first national *Federation of Unemployed Workers Leagues*. 44 delegates from 30 different organizations from Illinois, Ohio, Missouri, Michigan, Iowa, New York and Texas were represented. They rejected, although not very consistently, the various self-help schemes, and demanded unemployed insurance, adequate relief in form of cash allotments, prevailing wage rates for workers on public projects, and the right to grievance committees. Besides these immediate demands, there was a rather vague declaration in favor of Socialism as a permanent solution for the ills of the time. The Federation claimed 150,000 members, though these claims are not provable. Although the majority of the federated organizations were influenced either by the C. P. or S. P. ideas, or by still more reactionary ideologies, some of the smaller units were orientated towards a more consistent proletarian attitude. Especially noticeable here was the *Workers League of Chicago*.** This organization, not controlled by any political party although it had communistically orientated members in its ranks, resulted from spontaneous meetings of unemployed, who at and near relief stations protested against the insufficiency of relief rations. Their program was concentrated upon direct demands for the momentary needs of the unemployed, and advocated the necessity of concerted action of all the jobless, regardless of party interests. Although this organization could not organize more than a few thousand members, its attitude won it a broad following among the unemployed. It activized the workers in more fruitful directions by helping to avoid political bickering, and frustrating to a certain extent the struggle of the parties for domination in the unemployed field. It helped considerably in bringing about large-scale actions, powerful mass demonstrations, which enforced the withdrawals of relief cuts. The Workers League of Chicago was largely responsible for the creation of the first National Federation, but it was also the main reason for the collapse of that organization. The S. P. and C. P. soon recognized that it would be impossible for them to control the National Federation, because of the existence of the Workers League. After Browder and Benjamin had convinced themselves by a visit to the Chicago Executive that it was impossible to change the balance of power position of the Workers League in the Federation, they decided, what had already also been decided by the S. P., to end the life of the Federation by withdrawing from it. Later, in the East, the now defunct *Conference for Progressive*

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*Twentieth Century Fund, Labor and the Government, p. 316

**In later issues of Living Marxism we will deal with some of the unemployed organizations in greater detail. We will deal also with the relations of trade unions to unemployed and unemployed organizations, and, furthermore, with the present tasks and possibilities of the unemployed.

Labor Action had succeeded in forming unemployed organizations, or in gaining control of others which already existed, and which had been in loose connection with the Chicago Federation. These connections were severed in order to form a new national federation together with the U. C. of the C.P., an organization which was soon again dissolved, till, in 1936, the W. C. of the S. P., which previously had changed its name into *Workers Alliance of America* (WA) ,combined with the much disintegrated U. C. Today, the Workers Alliance is the only unemployed organization of any importance, although smaller groups here and there still function independently without, however, differing essentially from the W. A. and its activities.

Considering the whole organized unemployed movement from the onset of the depression to the New Deal, it cannot be said that the *organized* movement had at any time enough power or sufficient following to be able to *force* local, state, or national authorities to grant concessions. There is no doubt that all organizations together had some influence upon the unemployed masses, but neither the organized activity nor the support it actually got from the broad masses can be regarded as the *decisive moment* which brought about the change in welfare relations. The turn in governmental unemployed policy can be explained only out of the whole cloth, not out of a specific aspect of the crisis condition, the aspect of unemployment and its organizational expressions. Certainly the actual pressure exerted by the unemployed and their organizations would have forced any government to give and to increase relief. Certainly it is not possible to starve large, concentrated masses to death without inviting troubles more costly than the necessary relief allotments. However, as long as the unemployed represent a relatively small minority within the total population, and as long as only a minority of them is actually impoverished, it is difficult for the unemployed to enforce more than the most meager relief rations, for outside of riots and disturbances they do not possess real weapons to enforce their demands. But the use of such ultimate weapons presupposes a general crisis situation and a general atmosphere of unrest of a larger scope then had existed.

People often wonder why it is so difficult to organize the unemployed. This difficulty, however, is not mysterious at all; it indicates only that the workers recognize quite well the limitations of unemployed organizations. They cannot help but recognize the power of capital and its institutions, and they have a difficult time accepting the idea that these forces could be successfully opposed with no more than demonstrations and protests, which actions are possible only as long as the authorities allow them. For the same reason they believe that the individual approach will have the best results, because he who cannot fight must either scheme or beg. This also causes them to prefer the more reformist organizations and the professional leaders, for these organizations and persons do exactly what seems to the majority of workers the most sensible thing to do—the attainment by political scheming of what cannot be achieved by struggle. Only when relief is denied altogether does the need for radical action come to the fore and influence organizations. But as soon as institutions for relief are created, the unemployed, and with them their organizations, will tend to make them more effective, which however, is possible only by a certain amount of cooperation. Even those relief institutions resulting from struggles of the unemployed give rise to new attitudes as soon as they become permanent, and foster political bargaining

rather than political action. The transformation of the once relatively militant unemployed organizations into the present semi-governmental *Workers Alliance* is not, as is often argued, only the result of treacherous changes of policies on the part of the political parties, but, more so, the result of the changing attitudes of the masses, effected by the general change of governmental policy. That "accidentally" this change coincided with changes of policies within the C. P. is only a lucky break for the latter, but has no further bearing on the question. Even if the C. P. would not have become a government-supporting agency, and if all other issues would have remained the same, the unemployed movement would still be what it is today, with the C. P. out of the picture. Though the W. A. is controlled by the C. P. and influenced by the S. P., it cannot be said that the members or the unemployed masses are behind these two political organizations. They are behind Roosevelt's government because, recognizing their present lack of power, they hope that a friendly government will give them freely what they cannot get by force; therefore they are friendly to the government. What holds true for the unemployed also holds true for the W. P. A. workers. Being a little better off than the reliefers, they are mainly interested in keeping this favorable position. They know quite well that a strike for better positions has little chance of success, since they cannot, as in private industry, destroy profits, but can only cause some savings for the government. The power of the government to close projects at will is enough to cause the workers to think that their organizing would mean only unneccesary costs to operate functionless organizations. Although they are often willing to act on the job against the atrocities of their immediate superiors, they cannot yet be organized successfully for struggles of a larger scope.

As regards the New Deal in Welfare, it must be considered, as we have already observed, as only one item in the total re-organization process which began amidst the crisis and was forced not only by the unemployed but by the majority of the population, including capitalistic layers, to overcome the depression with a program of public spending that was made possible by inflationary measures. That is, the New Deal sought to secure profitability for a portion of the capitalists by sacrificing the interests of others. This program was of necessity an employment program, and it divided the unemployed into reliefers and W. P. A. workers. Where the first are concerned, nothing has changed for them. Their situation is just as miserable as it was five years ago, the only difference being that their possibilities for action are still further reduced because of this division in their ranks. The *Workers Alliance* is by this very same situation not only induced to be mainly interested in the extension of the spending program, but forced to be so, and therefore must support the government, which claims an inclination to favor the same philosophy. But it is impossible to support on the one hand a government against its adversaries who entertain different plans as to how the social problems should be solved, and, on the other hand, to attack this very same government by calling for actions on the part of the unemployed. And so the organized unemployed movement, which set out to enforce its will upon the government, has sofar succeeded only in advancing to a position, were it serves the government.

(To be continued in the next issue.)

THE MASSES AND THE VANGUARD

Economic and political changes proceed with bewildering rapidity since the close of the world war. The old conceptions in the labor movement have become faulty and inadequate and the working class organizations present a scene of indecision and confusion.

In view of the changing economic and political situation it seems that thorough reappraisement of the task of the working class becomes necessary in order to find the forms of struggle and organization most needful and effective.

The relation of "the party," "organization" or "vanguard" to the masses plays a large part in contemporary working class discussion. That the importance and indispensability of the vanguard or party is overemphasized in working class circles is not surprising, since the whole history and tradition of the movement tends in that direction.

The labor movement of today is the fruit of economic and political developments that found first expression in the Chartist movement in England (1838-1848), the subsequent development of trade unions from the fifties onward, and in the Lasallean movement in Germany in the sixties. Corresponding to the degree of capitalist development trade unions and political parties developed in the other countries of Europe and America.

The overthrow of feudalism and the needs of capitalist industry in themselves necessitated the marshaling of the proletariat and the granting of certain democratic privileges by the capitalists. The latter had been reorganizing society in line with their needs. The political structure of feudalism was replaced by capitalist parliamentarism. The capitalist state, the instrument for administering the joint affairs of the capitalist class, was established and adjusted to the needs of the new class.

The bothersome proletariat whose assistance against the feudal forces had been necessary now had to be reckoned with. Once called into action it could not be entirely eliminated as a political factor. But it could be coordinated. And this was done — partly consciously with cunning and partly by the very dynamics of capitalist economy — as the working class adjusted itself and submitted to the new order. It organized unions whose limited objectives (better wages and conditions) could be realized in an expanding capitalist economy. It played the game of capitalist politics within the capitalist state (the practices and forms of which were determined primarily by capitalist needs,) and, within these limitations, achieved apparent successes.

But thereby the proletariat adopted capitalist forms of organization and capitalist ideologies. The parties of the workers, like those of the capitalists became limited corporations, the elemental needs of the class were subordinated to political expediency. Revolutionary objectives were displaced by horse-trading and manipulations for political positions. The party became all-important, its immediate objectives superseded those of the class. Where revolutionary situations set into motion the class, whose tendency is to fight for the realization of the revolutionary objective, the parties of the workers "represented" the working class and were themselves "represented" by parliamentarians whose very position in parliament constituted resignation to their status as bargainers within a capitalist order whose supremacy was no longer challenged.

The general coordination of workers' organizations to capitalism saw the adoption of the same specializations in union and party activities that characterized the hierarchy of industries. Managers, superintendents and foremen saw their counterparts in presidents, organizers and secretaries of labor organizations. Boards of directors, executive committees, etc. The mass of organized workers like the mass of wage slaves in industry left the work of direction and control to their betters.

This emasculation of worker's initiative proceeded rapidly as capitalism extended its sway. Until the

world war put an end to further peaceful and "orderly" capitalist expansion.

The risings in Russia, Hungary and Germany found a resurgence of mass action and initiative. The social necessities compelled action by the masses. But the traditions of the old labor movement in western Europe and the economic backwardness of eastern Europe frustrated fulfillment of labor's historic mission. Western Europe saw the masses defeated and the rise of fascism a la Mussolini and Hitler, while Russia's backward economy developed the "communism" in which the differentiation between class and vanguard, the specialization of functions and the regimentation of labor reached its highest point.

The leadership principle, the idea of the vanguard that must assume responsibility for the proletarian revolution is based on the pre-war conception of the labor movement, is unsound. The tasks of the revolution and the communist reorganization of society cannot be realized without the widest and fullest action of the masses themselves. Theirs is the task and the solution thereof.

The decline of capitalist economy, the progressive paralysis, the instability, the mass unemployment, the wage cuts and intensive pauperization of the workers — all these compel action, in spite of fascism a la Hitler or the disguised fascism of the A. F. of L.

The old organizations are either destroyed or voluntarily reduced to impotence. Real a c t i o n now is possible only **outside** the old organizations. In Italy, Germany and Russia the White and Red fascisms have already destroyed all old organizations and placed the workers directly before the problem of finding the new f o r m s of struggle. In England, France and America the old organizations still maintain a degree of illusion among workers, but their successive surrender to the forces of reaction is undermining them rapidly.

The principles of independent struggle, solidarity and communism are being forced upon them in the actual class struggle.

With this powerful trend toward mass consolidation and mass action the theory of regrouping and realigning the militant organizations seems to be outdated. True, regrouping is essential, but it cannot be a mere merger of the existing organizations. In the new conditions a revision of fighting forms is necessary. "First clarity — then unity." Even small groups recognizing and urging the principles of independent mass movement are far more significant today than large groups that deprecate the power of the masses.

There are groups that perceive the defects and weaknesses of parties. They often furnish sound criticism of the popular front combination and the unions. But their criticism is limited. They lack a comprehensive understanding of the new society. The tasks of the proletariat are not completed with seizure of the means of production and the abolition of private property. The question of social reorganization must be put and answered. Shall state socialism be rejected? What shall be the basis of a society without wage slavery? What shall determine the economic relations between factories? What shall determine the relations between producers and the total product?

These questions and their answers are essential for an understanding of the forms of struggle and organization today. Here the conflict between the leadership principle and the principle of independent mass action becomes apparent. For, a thorough understanding of these questions leads to the realization that the widest, all-embracing, direct activity of the proletariat as a class is necessary to realize communism.

Of first importance is the abolition of the wage system. The will and good wishes of men are not potent enough to retain this system after revolution (as in Russia) without eventually surrendering to the dynamics engendered by it. It is not enough to seize the means of production and abolish private property. It is necessary to abolish the basic condition of modern exploitation, wage slavery, and that act brings on the succeeding measures of reorganization that would never be invoked without the first step. Groups that

do not put these questions, no matter how sound their criticism otherwise, lack the most important elements in the formation of sound revolutionary policy. The abolition of the wage system must be carefully investigated in its relation to politics and economics. The article following this one deals with certain economic aspects of the problem. We will here take up some of the political implications.

First is the question of the seizure of power by the workers. The principle of **the masses** (not party or vanguard) retaining power must be emphasized. Communism cannot be introduced or realized by a party. Only the proletariat as a whole can do that. Communism means that the workers have taken their destiny into their own hands; that they have abolished wages; that they have, with the suppression of the bureaucratic apparatus, combined the legislative and executive powers. The unity of workers lies not in the sacrosanct merger of parties or trade unions, but in the similarity of their needs and in the expression of needs in mass action. All the problems of the workers must therefore be viewed in relation to the developing self-action of the masses.

To say that the non-combative spirit of the political parties is due to the malice or reformism of the leaders is wrong. The political parties are impotent. They will do nothing, because they can do nothing. Because of its economic weakness, capitalism has organized for suppression and terror and is at present politically very strong, for it is forced to exert all its effort to maintain itself. The accumulation of capital, enormous throughout the world, has shrunk the yield of profit, — a fact which, in the external policies, manifests itself through the contradictions between nations; and, in the internal policies, through "devaluation" and the attendant partial expropriation of the middle class and the lowering of the subsistence level of the workers; and, in general, by the centralization of the power of big capital units in the hands of the state. Against this centralized power little movements can do nothing. The masses alone can combat it, for only they can destroy the power of the state and become a political force. For that reason the fight based on craft organizations becomes objectively obsolete, and the large mass movements, unrestricted by the limitations of such organizations, must necessarily replace them.

Such is the new situation facing the workers. But from it springs an actual weakness. Since the old method of struggle by means of elections and limited trade union activity has become quite futile, a new method, it is true, has instinctively developed, but that method has not yet been conscientiously, and therefore not effectively, applied. Where their parties and trade unions are impotent, the masses already begin to express their militancy through wildcat strikes. In America, England, France, Belgium, Holland, Spain, Poland — wildcat strikes develop, and through them the masses present ample proof that their old organizations are no longer fit for struggle. The wildcat strikes are not, however, disorganized, as the name implies. They are denounced as such by union bureaucrats, because they are strikes formed outside the official organizations. The strikers themselves organize the strike, for it is an old truth that only as an organized mass can workers struggle and conquer. They form picket lines, provide for the repulsion of strike-breakers, organize strike relief, create relations with other factories... In a word, they themselves assume leadership of their own strike, and they organize it on a factory basis.

It is in these very movements that the strikers find their unity of struggle. It is then that they take their destiny into their own hands and unite "the legislative and executive power" by eliminating unions and parties, as illustrated by several strikes in Belgium and Holland.

But independent class action is still weak. That the strikers, instead of continuing their independent action towards widening their movement, call upon the unions to join them, is an indication that under existing conditions their movement cannot grow larger, and for that reason cannot yet become a political force capable

of fighting concentrated capital. But it is a beginning.

Occasionally, though, the independent struggle takes a big leap forward, as with the Asturian miners' strikes in 1934, the Belgian miners in 1935, the strikes in France, Belgium, and America in 1936, and the Catalonian revolution in 1936. These outbreaks are evidence that a new social force is surging among the workers, is finding workers' leadership, is subjecting social institutions to the masses, and is already on the march.

Strikes are no longer mere interruptions in profit-making or simple economic disturbances. The independent strike derives its significance from the action of workers as an organized class. With a system of factory committees and workers' councils extending over wide areas the proletariat creates the organs which regulate production, distribution, and all the other functions of social life. In other words, the civil administrative apparatus is deprived of all power, and the proletarian dictatorship establishes itself. Thus, class organization in the very struggle for power is at the same time organization, control, and management of the productive forces and of the entire society. It is the basis of the association of free and equal producers and consumers.

This, then, is the danger that the independent class movement presents to the capitalist society. Wildcat strikes, though apparently of little importance whether on a small or large scale, are embryonic communism. A small wildcat strike, directed as it is by workers and in the interest of workers, illustrates on a small scale the character of the future proletarian power.

A regrouping of militants must be actuated by the knowledge that the conditions of struggle make it necessary to unite the "legislative and executive powers" in the hands of the factory workers. They must not compromise on this position: All power to the committees of action and the workers' councils. This is the class front. This is the road to communism. To render workers conscious of the unity of organizational forms of struggle, of class dictatorship, and of the economic frame of communism, with its abolition of wages — is the task of the militants.

The militants who call themselves the "Vanguard" have today the same weakness that characterizes the masses at present. They still believe that the unions or the one or the other party must direct the class struggle, though with revolutionary methods. But if it be true that decisive struggles are nearing, it is not enough to state that the labor leaders are traitors. It is necessary, especially today, to formulate a plan for the formation of the class front and the forms of its organizations. To this end the control of parties and unions must be unconditionally fought. This is the crucial point in the struggle for power.

COMMUNIST PRODUCTION AND DISTRIBUTION

Capitalist crises arise from the contradiction between the social forces and relations of production, a conflict in which the profitable employment of capital becomes increasingly difficult and which must lead to the collapse of capitalism. Marxism rejects all pseudo-socialist economic theories which consist merely of a new regulation of distribution while retaining the capitalistic system of production. Value production must be abolished before there can be the slightest semblance of a communist society. Under communism, labor has no "value" and no "price". The abolition of value exchange

is the abolition of the wage system, for the wage relation is but the exchange between buyers and sellers of labor power. If this relation exists — and it matters not whether the purchasers of labor power are individual entrepreneurs or the state — we have, by that very circumstance, production of value and surplus-value based on the exploitation of workers. And such capitalistic production admits of none but capitalistic distribution. "The manner in which the productive forces are exchanged, "says Marx in his *Critique of the Gotha Programme* (page 32), "is decisive as regards the manner of exchange of the products."

In communism, production is no longer a process of capital expansion, but only a labor process in which society draws from nature the means of consumption it needs. The only economic criterion is the labor time employed in the production of useful goods. And so, from the standpoint of Marxism, the Russian experiments in 'planned economy,' are not to be rated as socialistic. The Russian practice follows the laws of capitalist accumulation, on the basis of surplus-value production. The wage relation is identical with that of capitalist production, forming the basis for the existence of a growing bureaucracy with mounting privileges, which, beside the still present private capitalist elements, must be appraised as a new class appropriating surplus labor and surplus-value.

The gist of the Bolshevist theory of socialization may be sketched as follows: With the revolutionary overthrow, i. e., the expropriation of capital, the power over the means of production and hence the control over production and distribution of the products passes into the hands of the state apparatus. The latter then organizes the various branches of production in accordance with a plan and puts them, as a state monopoly, at the service of society. With the aid of statistics, the c e n t r a l authority computes and determines the magnitude and kind of production, as also the apportionment of the products to the producers.

To be sure, the means of production here have passed from the hands of the private entrepreneurs into those of the state; as regards the producers, however, nothing has changed. No more than under capitalism do the producers control the products of their labor, for they still lack the control over the means of production. Just as before, their only means of livelihood is in the sale of their labor power. The only difference is that they are no longer required to deal with the individual capitalist, but w i t h the total capitalist, the state, as the purchaser of labor power.

The decisive problems of a communist economy do not come up until after the market, wage-labor, money, etc., have been completely abolished. The very existence of the wage relation signifies that the means of production are not controlled by the producers, but confront the producers as capital, and this circumstance further compels the reproduction process in the form of capital accumulation. The later process, is at the same time the accumulation of misery, and hence also the Russian workers are actually growing poorer at the same rate as capital accumulates. The productivity of the Russian workers *increases faster* than their wages; they receive a relatively ever smaller share of the increasing social product. To Marx, this *relative* pauperization of the working population in the course of accumulation is only a *phase of the absolute pauperization.*

II.

Capitalist economy has perfected the computability developed by industry. Particularly in the last two decades the computing methods for determining costs have attained a high degree of precision. Though capitalist accounting methods are bound to money as the common denominator, the necessity for accounting does not die out with the disappearance of money and the market in the communist society. A general measure, a reckoning unit is indispensable to the social regulation of production and distribution. To Marx and Engels the basis and computing unit of communist economy was the *socially necessary labor time* contained in the products.

Labor time as the unit of reckoning will play a double role in the communist economy. "Its apportionment in accordance with a definite social plan maintains the proper proportion between the different kinds of work to be done, and the various wants of the community. On the other hand, it also serves as a measure of the portion of the common labor borne by the individual and of his share in the part of the total product destined for individual consumption. The social relations of the individual producers, with regard both to their labor and to its products, are in this case perfectly simple and intelligible, and that with regard not only to production but also to distribution." (*Capital,* Kerr Ed. Vol. 1. pp. 90-91).

Communism is neither "federalistic" nor "centralistic", and yet it is both together. It is a productive mechanism which assures the independent operation of the units and simultaneously enables social planning of production. In all forms of society the process of production must also be a process of reproduction. Under capitalism reproduction is regulated through the market mechanism, whereas under communism it is a planned process consciously determined by the producers themselves. If labor time is the measure of communist production, it is the measure also for expanded reproduction.

The social average working hour as the computing unit of communist society is capable of embracing all categories of production and distribution. Each enterprise will determine the number of working hours it consumes so that they can be replaced by the same magnitude. The labor time method is unquestionably adapted to compute the total cost of an enterprise, of a branch of industrial production and also of the individual product or partial product. Even those enterprises which give rise to no tangible product are quite capable of determining the amount of labor time they consume in the form of products.

The production formula of an enterprise as well as that of society as a whole, may be stated very simple: means of production, plus labor, creates the product. If one distinguishes between two different kinds of means of production: fixed and circulating, we might assume for example the following production formula for a shoe factory:

Machines, etc	Raw materials, etc	Labor power
10,000 working hours	70,000 working hours	70,000 working hours

If we further assume that this factory produces 50,000 pairs of shoes, then 150,000 working hours were expended for their production, or three working hours for each pair. This formula is at the same time the formula for simple reproduction. We know how many labor hours were consumed

in this factory for the production of 50,000 pairs of shoes. The same number of labor hours must accordingly be restored to it. And what holds for the single enterprise holds also for the whole of society, which of course is only the sum total of all enterprises. The total social product is the product of tools of production, plus raw materials, plus labor power of all enterprises. Assuming the sum total of all the fixed means of production to amount to 100 million labor hours, the corresponding raw materials to 600 million, and the labor time consumed to be equal to 600 million, we have the total product of 1,300 million labor hours. Under conditions of simple reproduction, 600 million labor hours can be turned over to the consumers in the form of consumption goods.

As in capitalism the accumulation of capital is to a large extend left to individual capitalists, so also the reproduction of labor power is left to the class-determined individuals. The worker continually produces, with insignificant exceptions, only new workers. The middle class fills, over and over again, the higher occupations. Under communism, however, both the reproduction of labor power and that of the material apparatus of production are social functions. No longer is the class position of the individual determining, but the "reproduction" of labor functions is consciously regulated by society. And as corollary, the antagonistic nature of distribution is discarded; it is foreign to a communist society.

The application of the social average labor hour as the computing unit presupposes the existence of workers' councils organizations. Each enterprise comes forward as an independent unit and is at the same time connected with all the other enterprises. As a result of the division of labor, each factory has certain end products. With the aid of the mentioned formula, each enterprise can compute the labor time contained in its end products. The end product of an enterprise, in so far as it is not destined for individual consumption, goes to another enterprise either in the form of means of production or raw materials, and this one in turn computes its end product in labor hours. The same thing holds for all places of production, without regard to the magnitude or kind of their products.

When the individual enterprises have determined the average labor time contained in their products, it still remains to find the social average. All enterprises turning out the same products, must compare production figures. From the individual enterprises of an industry in a given territory, the total average of all the individual plant averages for these enterprises must be secured. If 100 shoe factories, for example, average three hours and 100 others average two, then the general average for a pair of shoes is 2½ hours. The varying averages result from the varying productivities of the individual plants. Though this is a condition inherited from capitalism, and the differences in productivity will slowly disappear, the deficit of one enterprise must meanwhile be made up through the surplus of the other. For society, however, there is only the social average productivity. The determination of the social average labor time calls for the cartellization of the enterprises. The contradiction between the factory average and the social average labor time ends in the production cartel.

The social average labor time decreases with the development of the productivity of labor. If the product thus "cheapened" is for individual con-

sumption, it goes into consumption with this reduced average. If it is an end product used by other enterprises as means of production, then the consumption of means of production and raw materials for these enterprises falls, the production "costs" decline and hence the average labor time for these products is reduced. Compensating for the variations caused in this way is a purely technical problem which presents no special difficulties.

If the working hour serves as a measure of production, it must likewise be applicable to distribution. A very clear statement of this unit is given by Marx in his *Critique* (p. 29): "What the producer has given to society is his individual amount of labor. For example, the social working day consists of the sum of the individuals' hours of work. The individual working time of the individual producer is that part of the social working-day contributed by him, his part thereof. He receives from society a voucher (labor time money) that he has contributed such and such a quantity of work (after deductions from his work for the common fund) and draws through this voucher on the social storehouse as much of the means of consumption as the same quantity of work costs. The same amount of work which he has given to society in one form, he receives back in another." The workers cannot, however, receive the full output of their labor. The labor time is not the direct measure for the part of the social product destined for individual consumption. As Marx goes on to explain in his *Critique* (p. 27) "The co-operative proceeds of labor is the total social product. But from this must be deducted; firstly, reimbursement for the replacement of the means of production used up; secondly, an additional portion for the extension of production; and thirdly, reserve or insurance funds to provide against misadventures, disturbances through natural events and so on. There must again be taken from the remainder: "Firstly, the general costs of administration not appertaining to production. Secondly, what is destined for the satisfaction of communual needs. Thirdly, funds for those unable to work."

Those institutions which produce no tangible goods (cultural and social establishments) and yet participate in the social consumption may be reckoned as enterprises. Their services go over into society without delay; production and distribution here are one. We call these institutions for sake of illustration "public enterprises". Everything which the public enterprises consume must be drawn from the stores of the productive enterprises. It is necessary to know the total consumption of these public enterprises. With the growth of communism, this type of enterprise receives an ever encreasing extension, means of consumption, dwelling, passenger transport, etc. The more society grows in this direction and the more enterprises are transformed in public enterprises, the less will individual labor be the measure for individual consumption. *This tendency serves to illustrate the general development of communist society.* Of the social product a part is to be employed for the further expansion of the productive apparatus. If this expanded reproduction is to be a conscious action, it is necessary to know the social labor time required for simple reproduction. The formula for simple reproduction is: tools of production, plus raw materials, plus labor power. If the material apparatus of production is to be expanded by ten per cent, a mass of products of this amount must be withdrawn from individual consumption. Going back to our formula for society as whole: 100 million tools of production, plus 600 million raw materials, plus 600 million labor power, means that

700 million working hours have to be reproduced. There remain 600 million working hours. The public enterprises take from these 600 million their means of production and raw materials. Ten per cent is deducted for the expansion of production, the remainder can be equally distributed among the workers engaged in production and in the public enterprises. If we assume that 50 million working hours are necessary for the public enterprises and 70 million for expansion we have to deduct from the total consumption fund 120 million working hours. There remain 480 million working hours for the fund for individual consumption.

Distribution, like production itself, is a social question. The 'expenses' of distribution are included in the general budget for the public enterprises. The bringing together of the consumers into associations with a direct connection to the organism of production allows full mobility to the satisfaction of needs and to their changes therein. In the relations between the individual enterprises, labor time "money" is superfluous. When an enterprise delivers its end products, it has linked tools of production, plus raw materials, plus labor power, working hours to the great chain of partial social labors. These must be restored to the various enterprises in the same magnitude in the form of other end products. The labor money is valid only for individual consumption. As more and more enterprises are brought into public enterprises, distribution by means of labor money grows less and less important and hastens its own abolition. Fixing the factor of individual consumption is the task of social bookkeeping.

This bookkeeping is merely bookkeeping and nothing else. It is the central point of the economics process, but has no power over the producers or the individual enterprises. The social bookkeeping is itself only an enterprise. Its functions are: the registration of the stream of products, the fixing of the individual consumption fund, the outlay of labor time "money", the control over production and distribution. The control of the labor process is a purely technical one, which is handled by each enterprise itself. The control exercised by the social bookkeeping extends only to accounting for all receipts and deliveries of the individual enterprises and watching over their productivity.

The different industrial enterprises turn their production budgets over to the enterprise which conducts the social bookkeeping. From all the production budgets results the social inventory. Products in one form flow to the enterprise, new ones in another form are given out by them .To state the process in simple terms: Each conveyance of good is recorded in the general social bookkeeping by an endorsement, so that the debit and credit of any particular enterprise at any time can be seen. Everything which an enterprise consumes in the way of tools of production, raw material or labor "money" appear on the debit side of the enterprise; what it has turned over to society in the form of products appears as a credit. These two items must cover each other continuously, revealing in this way whether and to what extent the productive process is flowing smoothly. Shortage and excess on the part of the enterprises become visible and can be corrected. The reproductive process becomes the regulator of production.*

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*For a more extensive study of this problem see: "Grundprinzipien kommunistischer Produktion und Verteilung."
Gruppe Internationaler Kommunisten (Holland) Herausgegeben von der Allgemeinen Arbeiter Union Deutschland. Berlin 1930.

MARXISM AND THE PRESENT TASK OF THE PROLETARIAN CLASS STRUGGLE

Let the dead bury their dead. The proletarian revolution must at last arrive at its own content. (Marx)

Of Karl Marx may be said what Geoffroy St. Hilaire said of Darwin, that it was his fate and his glory to have had only forerunners before him and only disciples after him. Of course, there stood at his side a congenial life-long friend and collaborator, Friedrich Engels. There were in the next generation the theoretical standard-bearers of the "revisionist" and the "orthodox" wings of the German Marxist party, Bernstein and Kautsky and, beside these pseudo-savants, such real scholars of Marxism as Antonio Labriola the Italian, Georges Sorel in France, and the Russian philosopher Plekhanov. There came at a later stage an apparently full restoration of the long forgotten revolutionary elements of the Marxian thought by Rosa Luxemburg in Germany and by Lenin in Russia.

During the same period Marxism was embraced by millions of workers throughout the world as a guide for their practical action. There was an imposing succession of organizations, from the secret **Communist League** of 1848 and the **Working Men's International Association** of 1864 to the rise of powerful social democratic parties on a national scale in all important European countries and to an ultimate coordination of their scanty international activities in the so-called **Second International** of the pre-war period which after its collapse found its eventual resurrection in the shape of a militant **Communist Party** on a world-wide scale.

Yet there was, during all this time, no corresponding internal growth of the Marxian theory itself beyond those powerful ideas which had been contained within the first scheme of the new revolutionary science as devised by Marx.

Very few Marxists up to the end of the 19th century did so much as find anything wrong with this state of affairs. Even when the first attacks of the so-called "Revisionists" brought about what a radical bourgeois sociologist, the later first president of the Czecho-Slovak republic, Th. G. Mazaryk, then called a philosophical and scientific "crisis of Marxism", the Marxists regarded the condition existing within their own camp as a mere struggle between an "orthodox" Marxist faith and a deplorable "heresy". The ideological character of this wholesale identification of an established doctrine with the revolutionary struggle of the working class is further enhanced by the fact that the leading representatives of the Marxian orthodoxy of the time, including Kautsky in Germany and Lenin in Russia, persistently denied the very possibility that a true revolutionary consciousness could ever originate with the workers themselves. The revolutionary political aims, according to them, had to be introduced into the economic class struggle of the workers **"from without"**, i. e., by the theoretical endeavors of radical bourgeois thinkers "equipped with all the culture of the age", such as Lassalle, Marx, and Engels. Thus, the identity of a bourgeoisbred doctrine with all present and future truly revolutionary struggles of the proletarian class assumed the character of a veritable miracle. Even those most radical Marxists who came nearest to the recognition of a spontaneous development of the proletarian class struggle beyond the restricted aim pursued by the leading bureaucracies of the existing social democratic parties and trade-unions, never dreamt of denying this pre-established harmony between the Marxist doctrine and the actual proletarian movement. As Rosa Luxemburg said in 1903, and the Bolshevik Rjazanov repeated in 1928, "every new and higher stage of the proletarian class struggle can borrow from the inexhaustible arsenal of the Marxist theory ever new weapons

as needed by that new stage of the emancipatory fight of the working class."

It is beyond the scope of this article to discuss the more general aspects of this peculiar theory of the Marxists concerning the origin and development of their own revolutionary doctrine, a theory which in the last analysis amounts to a denial of the possibility of an independent proletarian class culture. We refer to it in our present context only as one of the many contradictions to be swallowed by those who in striking contrast to the critical and materialistic principle of Marx dealt with "Marxism" as an essentially completed, and now unchangeable, doctrine.

A further difficulty of this quasi-religious attitude towards Marxism arises from the fact that the Marxian theory was never adopted as a whole by any socialist group or party. "Orthodox" Marxism was at no time more than a formal attitude by which the leading group of the German social democratic party in the pre-war period concealed from themselves the ever continuing deterioration of their own formerly revolutionary practice. It was only this difference of procedure which separated that disguised "orthodox" form from an openly revisionistic form of adapting the traditional Marxist doctrine to the new "needs" of the workers' movement arising from the changed conditions of the new historical period.

When amidst the storm and stress of the revolutionary struggle of 1917, in view of a "clearly maturing international proletarian revolution", Lenin, set himself the task to restate **the Marxian Theory of the State and the Tasks of the Proletariat in the Revolution,** he no longer contented himself with a mere ideological defence of an assumedly existing orthodox interpretation of the true Marxist theory. He started from the premise that revolutionary Marxism had been totally destroyed and abandoned both by the opportunist minority and by the outspoken social-chauvinist majority of all "Marxist" parties and trade-unions of the late second International. He openly announced that **Marxism was dead** and proclaimed an integral **"restoration" of revolutionary Marxism.**

There is no doubt that "revolutionary Marxism", as restored by Lenin, has led the proletarian class to its first historical victory. This fact must be emphasized not only against the pseudo-Marxist detractors of the "barbarous" **communism** of the Bolsheviks — as against the "refined" and "cultured" **socialism** of the West. It must be emphasized also against the present beneficiaries of the revolutionary victory of the Russian workers, who have gradually passed from the revolutionary Marxism of the early years to a no longer communist but merely "socialist" and democratic creed called **Stalinism.** In the same way, on an international scale, a mere "antifascist" coalition of the United Fronts, People's Fronts, and National Fronts was gradually substituted for the revolutionary class struggle waged by the proletariat against the whole economic and political regime of the bourgeoisie in the "democratic" as well as in the fascist, the "pro-Russian" as well as the anti-Russian States.

In the face of these later developments of Lenin's work, it is no longer possible to stick to the idea that the restored old revolutionary principles of Marxism which during the War and the immediate post-war period had been advocated by Lenin and Trotsky, resulted in a genuine revival of the revolutionary proletarian movement which in the past had been associated with the name of Marx. For a limited period it seemed, indeed, that the true spirit of revolutionary Marxism had gone East. The striking contradictions soon appearing within the policy of the ruling revolutionary party in Soviet Russia, both on the economic and on the political fields, were considered as a mere outcome of the sad fact that the "international proletarian revolution" firmly expected by Lenin and Trotsky did not mature. Yet in the light of later facts there is no doubt that ultimately, Soviet Marxism as a revolutionary proletarian theory and practice has shared the fate of that "orthodox" Marxism of the West from which it had sprung and from

which it had split only under the extraordinary conditions of the War and the ensuing revolutionary outbreak in Russia. When finally in 1933, by the unopposed victory of the counter-revolutionary **"National Socialism"**, in the traditional center of revolutionary **international socialism,** it became manifest that "Marxism did not deliver the goods" that judgement applied to the Eastern Communist as well as to the Western social democratic church of the Marxist faith, and the separate fractions were at last united in a common defeat.

In order to make intelligible the true significance and the far reaching further implications of this most important lesson of the recent history of Marxism, we must trace back the duplex character of the **"revolutionary dictatorship of the proletarian class"** which has become widely conspicuous by recent events both within present day Stalinist Russia and on an international scale, to an original duplicity appearing in the different aspects of Marx's own achievements as a **proletarian theorist** and as a **political leader** in the revolutionary movement of his time. On the one hand, as early as 1843, he was in close contact with the most advanced manifestations of French socialism and communism. With Engels he founded the **Deutsche Arbeiterbildungsverein** in Brussels in 1847 and set about to found an international organization of proletarian correspondence committees. Soon afterwards, they both joined the first international organization of the militant proletariat, the **Bund der Kommunisten,** at whose request they wrote the famous "Manifesto" proclaiming the proletariat as "the only revolutionary class."

On the other hand, Marx as an editor of the **Neue Rheinische Zeitung** during the actual revolutionary outbreak of 1848 expressed mainly the most radical demands of the bourgeois democracy. He strove to maintain a united front between the bourgeois revolutionary movement in Germany and the more advanced forms in which a struggle for direct socialist aims was at that time already waged in the more developed industrial countries of the West. He wrote his most brilliant and powerful article in defence of the Paris proletariat after its crushing defeat in June 1848. But he did not bring forward in his paper the specific claims of the German proletariat until a few weeks before its final suppression by the victorius counter-revolution of 1849. Even then, he stated the workers case in a somewhat abstract manner by reproducing in the columns of the Neue Rheinische Zeitung the economic lectures dealing with **Wage-Labor and Capital** which he had given two years before in the Arbeiterbildungsverein at Brussels. Similarly, by his contributions in the 1850's and 60's to Horace Greeley's **New York Tribune,** to the **New American Cyclopaedia** edited by George Ripley and Charles Dana, to Chartist publications in England, and to German and Austrian Newspapers, Marx revealed himself chiefly as a spokesman of the radical democratic policies which, he hoped, would ultimately lead to a war of the democratic West against reactionary tsarist Russia.

An explanation of this apparent dualism is to be found in the **Jacobinic pattern** of the revolutionary doctrine which Marx and Engels had adopted before the February revolution of 1848 and to which they remained faithful, on the whole, even after the outcome of that revolution had finally wrecked their former enthusiastic hopes. Although they realized the necessity of adjusting tactics to changed historical conditions, their own theory of revolution, even in its latest and most advanced materialistic form, kept the peculiar character of the transitory period during which the proletarian class was still bound to proceed towards its own social emancipation by passing through the intermediate stage of a preponderantly political revolution.

It is true that the revolutionary political effects of the economic warfare of the Trade Unions and of the other forms of championing immediate and specific labor interests became increasingly important for Marx during his later years, as attested by his leading role in the orgaization and direction of the **International Working Men's Association** in

the 60's and by his contributions to the programs and tactics of the various national parties in the 70's. But it is also true, and is clearly shown by the internecine battles waged, within the International, by the Marxists against the followers of Proudhon and Bakunin that Marx and Engels never really abandoned their earlier views on the decisive importance of politics as the only conscious and fully developed form of revolutionary class action. There is only a difference of language between the cautious enrollment of "political action" as a subordinate means to the ultimate goal of the "economic emancipation of the working class" as contained in the Rules of the IWMA of 1864, and the open proclamation, in the Communist Manifesto of 1848, that "every class struggle is a political struggle" and that the "organization of the proletarians into a class" presupposes their "organization into a political party". Thus Marx, from the first to the last, defined his concept of class in ultimately political terms and, in fact though not in words, subordinated the multiple activities exerted by the masses in their daily class struggle to the activities exerted on their behalf by their political leaders.

This appears even more distinctly in those rare and extraordinary situations in which Marx and Engels during their later years again were called to deal with actual attempts at a European revolution. Witness Marx's reaction to the revolutionary **Commune** of the Paris workers in 1871. Witness further Marx's and Engels' apparently inconsistent positive attitude toward the entirely idealistic attempts of the revolutionary **Narodnaja Volja** to enforce by terroristic action the outbreak of "a political and thus also a social revolution" under the backward conditions prevailing in the 70's and 80's in tsarist Russia. As shown in detail in an earlier article (**Living Marxism**, March 1938), Marx and Engels were not only prepared to regard the approaching revolutionary outbreak in Russia as a signal for a general European revolution of the Jacobine type in which (as Engels told Vera Sassulitch in 1883) "if the year 1789 once comes, the year 1793 will follow". They actually hailed the Russian and all-European revolution as a workers' revolution and the starting point of a communistic development.

There is then no point in the objection raised by the Mensheviks and other schools of the traditional Western type of Marxist orthodoxy that the **Marxism of Lenin** was in fact only the return to an earlier form of the **Marxism of Marx** which later had been replaced by a **more mature and more materialistic form.** It is quite true that the very similarity between the historical situation arising in Russia in the beginning of the 20th century and the conditions prevailing in Germany, Austria etc., at the eve of the European revolution of 1848 explains the otherwise unexplainable fact that the latest phase of the revolutionary movement of our time could have been represented at all under the paradoxical form of an ideological return to the past. Nevertheless, as shown above, revolutionary Marxism as "restored" by Lenin did conform, in its purely theoretical contents, much more with the true spirit of all historical phases of the Marxian doctrine than that social democratic Marxism of the preceding period which after all, in spite of its loudly professed "orthodoxy", had never been more than a mutilated and travestied form of the Marxian theory, vulgarizing its real contents, and blunting its revolutionary edge. It is for this very reason that Lenin's experiment in the "restoration" of revolutionary Marxism confirmed most convincingly the utter futility of any attempt to draw the theory of the revolutionary action of the working class not from its own contents but from any "myth". It has shown, above all, the ideological perversity of the idea to supplant the existing deficiencies of the present action by an imaginary return to a mythicized past. While such awakening of a dead revolutionary ideology may possibly help for a certain time, as the Russian revolution has shown, to conceal from the makers of the revolutionary "October" the historical limitations of their heroic efforts, it is bound to result ultimately not in finding once more the spirit of that earlier revol-

tionary movement but only in making its ghost walk again. It has resulted, in our time, in a new and "revolutionary Marxist" form of the suppression and exploitation of the proletarian class in Soviet-Russia, and in an equally new and "revolutionary Marxist" form of crushing genuine revolutionary movements in Spain and all over the world.

All this shows clearly that Marxism today could only be "restored" in its original form by its transformation into a mere ideology serving an altogether different purpose and, indeed, a whole scale of changing political purposes. It serves at this very moment as an ideological screen for the debunking of the hitherto predominant role of the ruling party itself and for the further enhancement of the quasi-fascist personal leadership of Stalin and of his all-adaptable agencies. At the same time, on the international scene, the so-called "anti-fascist" policy of the "Marxist" Comintern has come to play in the present struggles between the various alliances of capitalist powers exactly the same role as its opposite, the "anti-communist" and "anti-Marxist" international policy of the regimes of Hitler, Mussolini, and the Japanese warlords.

It should be understood that the whole criticism raised above concerns **only the ideological endeavors** of the last 50 years to "preserve" or to "restore", for immediate application, a thoroughly mythicized "revolutionary Marxist doctrine". Nothing in this article is directed against the scientific results reached by Marx and Engels and a few of their followers on various fields of social research which, in many ways hold good to this day. Above all, nothing in this article is directed against what may be called, in a very comprehensive sense, **the Marxist, that is, the independent revolutionary movement of the international working class.** There seems to be good reason, in the search for what is living or may be recalled to life in the present deathly standstill of the revolutionary workers' movement, to "return" to that practical and not merely ideological broadmindedness by which **the first Marxist (at the same time Proudhonist, Blanquist, Bakunist, trade-unionist, etc.) International Working Men's Association** welcomed into its ranks all workers who subscribed to the principle of an independent proletarian class struggle. As enunciated in the first of its rules, drawn up by Marx,

"the emancipation of the working classes must be conquered by the working classes themselves".

l. h.

SOUTHERN NEGROES*

The Civil War freed four million Negro slaves. The thirteenth and fourteenth amendments to the Constitution of the United States established their rights as citizens. From a state of being sold as a commodity, they advanced to a position of sellers of their own commodity: labor power. However, their transformation from real slaves into wage slaves was a

*In the course of preparing a series of articles on the labor conditions in the South, the editors of Living Marxism, have asked a number of workers residing in the South to state their thoughts and experiences in relation to questions concerning working and living conditions of the exploited classes. Save for the introductory remarks and the book-notes accompanying them, the above article is part of a letter we received from a worker living in the South. With the publication of this letter we open the discussion, hoping to receive more material from our readers, so that the problems and possibilities of Southern workers at the present stage of development may be stated realistically.

painful process. At the end of the Civil War wages for Negro labor were as low as $7 a month for men and $5 a month for women. Freedom began with hunger. Already "during the War of Secession, the entire experience of Southern Negroes was discouraging and disillusioning... Whether release from slavery came early or late, it was always accompanied by unexpected hardship... It must have been apparent to Southern Negroes when the triumph of the North in 1865 assured the final end of slavery that the fight for real freedom had just begun."*

Then came the days of the Carpetbaggers, who offered Negroes new illusions in exchange for their votes. The white Southerners, however, never ceased the struggle to regain the political control of the South. The Ku Klux Klan, and other terror organizations scared the Negroes away from the polls. What the night-riders began was completed by legislative tricks, such

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*Bell Irvin Wiley, Southern Negroes 1861-1865. Yale University Press, 1938. (366 pp. $3.00; quotation p. 344)

Mr. Wiley's book is the first full-scale attempt to discover what happened to the Southern Negroes in their transition from slavery to freedom. It portrays the relations between the white people and the Negroes in regard to all important socio-economic and military questions, and shows quite clearly that both the North and the South, in waging the Civil War, were not at all concerned with the "human side" of the slave question. As Marx and Engels stated (The Civil War in the United States, p. 81), the struggle between the South and the North was "nothing but a struggle between two social systems, between the system of slavery and the system of free labor. The struggle has broken out because the two systems can no longer live peacefully side by side." The dominant political role of the slave states within the Union and their economic interests, at that time bound up with exports rather than with the still backward home markets, hindered capital expansion in the North and compelled the Civil War. This War was "progressive" only for Northern capitalism, (The South was not industrialized by the North. In 1860 the South produced 15% of the total manufactured products of the U. S., and in 1917 still only 15%. In 1937 the South's share was raised to 17%), but it hardly justified the expectations of the laboring population. Only with a sigh can one read today the Address of the International Workingmen's Association to Abraham Lincoln, which Marx also signed, and which reads: "While the workingmen, the true political power of the North, allowed slavery to defile their own republic, while before the Negro, mastered and sold without his concurrence, they boasted it the highest prerogative of the white-skinned laborer to sell himself and choose his own master, they were unable to attain the true freedom of labor, or to support their European brethren in their struggle for emancipation; but this barrier to progress has been swept off by the red sea of civil war." (The Civil War in the United States, p. 281) But the 'true political power of the North', although helping to free the Negroes, maintained throughout the Civil War, and ever since, the deepest contempt for their black brothers. As before, also under 'progressive capitalism' "labor in the black skin is branded", and it becomes obvious, that, to reverse an oft quoted phrase of Marx, this situation will not change until labor in the white skin has freed itself. Comparing the sober writing of Mr. Wiley with the currently peddled Civil War and Negro Emancipation legends in which a so-called labor movement indulges most freely, one sees clearly that inspiring this empty chatter of the 'traditions' of the American people is the old trick of rendering the workers more susceptible to present capitalism's needs, as the sob-stories of slavery and the flag-waving of the Civil War were used to make the workers eager to sacrifice their lives for the sake of capitalism's needs. This situation gives Mr. Wiley's book much significance, and prompts us to recommend it to our readers.

as the famous "grandfather clause", which provided that for one to be eligible to vote, his grandfather must have been also eligible to vote. Later came the poll tax clause, but the "Negro had already lost his interest in government and voting... There were very few who would pay two dollars just for the privilege of voting for some white candidate. This condition grew into a situation where the politicians and monied interests that wanted to elect certain candidates would pay the Negroes' poll tax for votes, and then herd them to the polls to vote according to the politicians' dictates. In this way the Negro gradually voted himself out of politics in the South and, to be sure that he stays out, there was inaugurated the white primary, which put the Negro entirely out of politics."*

For the most part the Negroes in the South maintained their agricultural occupations after the Civil War, and continued to be concentrated in cotton production. They worked as laborers or tenants. In the cities they continued to do the dirty work; to fill the less desired unskilled laboring positions, their wages remaining always below the already low wages of the white workers. Today their wages range from 75 cents to one dollar-and-a-quarter a day. Some Negroes succeeded, it is true, in entering the skilled trades and the professions.** Others even became owners of farms and homes, but since 1880 their number has declined. Still others were able to establish banks, insurance companies, and other forms of economic and commercial enterprises, but these, for the most part, failed miserably. The great Negro masses, of which there are 8 millions in the South today, remained under the most wretched conditions.***

The only leaders the ruling class allows the Negro to have are preachers, and they gladly contribute to their support. Even as far back as 1861 the South Carolina Conference of the Methodist Church, in a plea for the support of slave missions, called attention to their enhanced value in "secur-

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*T. Le Roy Jefferson, The Old Negro and the New Negro. Meador Publishing Co., Boston, 1937. (118 pp. $1.50; quotation p. 16)

Mr. Jefferson, a Negro himself, wrote this little book "to point out to my people some of the errors they are making that are holding the Negroes back as a race." The book is interesting insofar as it serves as an excellent illustration that the class relations are much stronger than the race relations. The author, belonging to the middle class, is concerned only with the problem of how to make better and more obedient servants out of the negro population. Being 'emancipated' himself, he teaches the blessings of humbleness to those who try in one way or another to make their miserable lives a little better. In other words, he does what any succesful labor leader does.

**For detailed information on Negro labor question see: Charles H. Wesley, Negro Labor in the United States. Vanguard Press, New York, 1927. The book contains an extensive bibliography indicating other studies on the same subject.

***There was recently published by Modern Age Books, New York, Erskine Caldwell & Margaret Bourke-White's "You Have Seen Their Faces." The book, selling at a price workers can afford (75c) not only states in a highly impressive manner most of the prevailing problems of the South, but, together with the story-telling photographs by Miss Bourke-White, and many quotations of representatives of the different classes, may cause the reader enough indignation to start him on a more extended investigation of Southern conditions.

ing the quite and peaceful subordination of these people."* And in 1863 the *Religious Herald,* commenting on the value of the church work among the Richmond Negroes said: "May we not hope and pray that large numbers will be savingly converted to Christ, thus becoming better earthly servants while they wear with meekness the yoke of their masters in heaven." Religion is the only thing which the ruling class voluntarily offers in large quantities. However, there is an organization or two in the South dedicated to the cause of securing the Negroes full political and civil rights. They advocate the right of franchise, but the ballot can no longer mean anything to the Negroes, as it has ceased to have any meaning for the white workers. The abolition of the poll tax is opposed since it would enable the Negro to vote. The fact that it disables thousands of white workers politically is overlooked. However, this is not of much importance, since the white worker in the South sells his vote anyhow. This is the only value it has for him, and in this he is quite sensible; the Negro would do the same. However, it is not impossible that the ruling class may grant the vote as a compromising concession, when a crisis is at hand, but it is much more likely that the average white Southerner would rather fight to the death than to share even illusionary "political rights" with the Negro. As far as the latter are concerned, they have lived under a kind of "fascist rule" since the Civil War, and it would not be difficult to extend this rule over the white workers. But it could not be kept over both black and white without destroying the barriers dividing them, and thus eventually effecting their united action.

Capitalism offers the Negro nothing — except its protection against socialism. The easiest way for a Negro to make money in the South these days is to organize an imposing fraternity, society, or association whose "avowed object" and "sacred pledge" is to "protect the members of our race against insidious communism." Many such organizations are springing up in the South at present. They are directed also against the "false friends" from the North, for, "The Southern white will give the Negro his heart but not his hand, while the Northern white will give the Negro his hand but not his heart. The Southern whites will open the door of opportunity for Negroes to make money and a living, although they restrict his opportunities of spending it, while the Northern whites shut the doors in many instances, of opportunities of making money, but on the other hand offer many opportunities of spending his money that are restricted in the South."** But this propaganda, lately well fostered, did not greatly help to change the attitudes of the w h i t e s towards the Negroes***, nor was it able to counteract a visible tendency among the Negro workers to view their situation more realistically than before, and to look at their problem from the class standpoint as well as from that of caste.

There is an antagonism between the Negro workers and the white, and this antagonism has a solid basis. It is the same sort of antagonism that exists between workers everywhere competing for jobs, except that in the South

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*Southern Negroes 1861-1865, p. 99.

**The Old and The New Negro, p. 18.

***John Dollard's "Caste and Class in a Southern Town" (reviewed in Living Marxism No. 3) is, as far as we know, the best book illustrating the prevailing caste ideology.

the antagonism is accentuated by the Southern ideology of "white supremacy, "nigger inferiority," the nigger must be kept in his place", etc. — an ideology embellished and exaggerated into a cult, for the reason that it feeds the vanity and appeases the hurt pride of the poor white workers, and has its practical utility besides: white workers can monopolize certain trades and with a better conscience take jobs away from Negroes.*

There is a factor of tradition in the attitude of the white masses toward the Negroes. When slave-holders were in power,** the poor whites, unable to vent their grudges on the slaveholder directly, vented them on the slaves. On the other hand the Negroes put on airs and "threw their weight around" with contempt and arrogance, because they belonged to "sich and sich a family"; in short, they did not conceal the fact that they were proud to belong to the rich white folks and were better than "poor white trash." The poor whites would never forgive such arrogance and insults, but because slaves were valuable property,*** they could not avenge, themselves. After the Civil war, when "the uppity niggers" were no longer bourgeois property, the poor whites declared an open season on them, and they have been hanging them ever since at the slightest provocation, or none. The aristocrats helped them, and the Negroes became re-enslaved and re-possessed.

From a more comprehensive point of view, however, the antagonism between white and black has to be regarded as quite superficial,**** it disappears to a large extent in times of stress and strikes involving white and Negro workers. The worse the Negroes can say about the white employers, the better the white strikers like it. In ordinary times of peace a Negro is not allowed to denounce a white employer privately, much less publicly, but in times of struggle he enjoys the freedom of the white workers. Many in-

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*) "The depression greatly sharpened competition between white and black workers. Before the present unemployment made any job desirable, white men in the South left for Negroes certain kinds of menial labor or especially dirty and unpleasant work. The present crisis has tended to modify this attitude but at the expense of driving large sections of the Negro population out of economic life altogether, thus correspondingly increasing the likelihood of racial conflicts." (Labor and the Government. Twentieth Century Fund, 1935. p. 301).

**) Engels and Marx wrote in 1861: "The number of actual slaveholders in the South of the Union does not amount to more than three hundred thousand, a narrow oligarchy that is confronted with many millions of so-called poor whites, whose numbers constantly grew through concentration of landed property and whose condition is only to be compared with that of the Roman plebeians in the period of Rome's extreme decline. Only by aquisition and the prospect of aquisition of new territories, as well as by filibustering expeditions, is it possible to square the interest of these 'poor whites' with those of the slaveholders, to give their turbulent longings for deeds a harmless direction, and to tame them with the prospect of one day becoming slaveholders themselves. "(The Civil War in the United States, p. 69.

***) The price for a young adult male slave around 1861 was about $1000.

****) Despite an increased antagonism between white and black tenants in certain Southern districts because of the policy of landowners to give preference to black tenants, as noted, for example, by Caldwell writing:

vestigations of strikes involving both races established the fact that no strike was lost through friction between whites and blacks. Considering Southern conditions the whites and blacks work together quite reasonably. For instance at every picket-post there are usually white and black workers together, for if a Negro striker put his hands on a white scab, he would be lynched, but of course both white and black pickets go for the Negro scabs. Lately white workers and Negroes have come to have more appreciation for one another: they have met at so many meetings together, have taken to the streets and paraded together, have been arrested, beaten, and locked up together, though in separate cells, and sometimes in separate buildings, and each side has observed that the workers of the other mean business and are in earnest. In a recent strike in a Southern town when the picket-line was demolished and 125 taken to jail, (teargas had been hurled freely and guns fired) about 30 Negroes were the last to leave the line, and they left it walking, not running.

Negroes and whites have struck together along all Gulf ports, in the Tennessee coal mines, and in the cotton fields of Arkansas. The ruling class has not been able to stir up strife between the two races during a single strike. Whenever it is necessary for white and black workers to cooperate they can and will do it. In demonstrations, white and blacks march down the street together, the whites always leading, that is, a small group of whites take the lead, and the rest of the marchers mingle, the rear and the flanks are always well-guarded with white workers in order to protect the Negroes from exposure to attack by police and by thugs. When white and black workers march together in a mixed body, they assume from necessity almost a military formation. It is very striking to observe how confident the Negroes are, even how proud they are, to march with the white workers; it indicates that the influence of the ruling class over the Negroes is cracking. Without in the least minimizing the depth of the white workers' prejudices against the black, the fact remains that workers of both races are exploited merciless, and that now and then in their struggles with the employing class, their united action becomes burned deeply into their consciousness. It is often amazing to discover how suddenly the racial prejudices of white

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"The Delta and Black Belt land-owner has been systematically eliminating the white tenant from his plantations for a number of years... His place was filled by a black tenant. The landowner wants a man who can be subjected to his will by means of fear and intimidation;" despite the sharpening of competition for the diminishing possibilities to eke out an existence and its accompanying ideologies of hatred, for the real enemy can not as yet be met and so will not be recognized, it is still to be noticed, as observed by many contemporary writers on southern questions, that in other instances race antagonism tends to disappear. At the same time, however, that black tenants come to occupy white tenants' places, there is, due to a decrease in white propriotorship, and a consequent increase in white tenant farming, as shown in an excellent W. P. A. study (Landlord and Tenant on the Cotton Plantation, Washington, 1936) in relation to the question of what methods of reconstruction should be applied in the South first needed the recognition of the "inter-racial character of the population and the peculiar relationships between the races. This, however, is of decreasing importance as with the increase of white tenancy it becomes more and more a class rather than a race problem." (Quotation p. 181)

workers dissolve during a joint struggle of both races; as it is also amazing to discover how quickly the Negroes forgive the white workers for all the injuries they have suffered at their hands in the recent past. This situation strikes terror into the hearts of the ruling class; it is ominous to them, and augurs their destruction. The ruling class of the South today appreciates just as keenly as did the old slaveholder* the fatal possibilities of a joint rebellion of white and black workers.

The Negro workers of the Southern cities, quite conscious of their wrongs, long for action and are quick to strike. However, they recognize that they cannot do anything by themselves; they know that "it is up to the white workers to lead the way." Without the white workers the Negroes are helpless. The white workers are not quite so bitterly oppressed and degraded as the blacks, which accounts somewhat for their lethargy. They are "white" and are "better off than the niggers", with whom they doubtless compare themselves, if only unconsciously. However, they will recognize in time that the only difference between them and the Negroes is only skin-deep. Just last Labor Day, when the Negro longshoremen of a Southern city paraded through the streets of the city, even a trade-union leader, otherwise quite reactionary, could be moved by this impressive parade to comment thoughtfully: "We could take those Negroes and turn this town upside down." Yet though the A. F. of L. is now in every State of the South; it has taken very little interest in the Negro worker. Still it must be admitted that even the average member of the A. F. of L. is more kindly disposed toward the Negro than the middle class whites are. By the latter and by the upper class whites, the Negro is still regarded as "property" and of course as their property, to be used as they see fit. And as far as they are considered property, the liberal bourgeoisie is even willing to appear as their defenders. The "best" attitude towards the Negroes is illustrated by a clipping from a Southern newspaper, an item so revealing that we cannot help but quote it in full.**

> "The legislature has done nothing with a definite view of improving the status of Mississippi's colored population. Our negroes constitute our labor supply. They make up a large majority of our farm laborers, our cooks, our practical nurses, our plasterers, our brickmasons, etc. Our success as white people depends very largely upon the energy and intelligence of our labor supply. The negroes of Mjssissippi are humble and modest. They seldom come to the legislature with a request. And this time they have asked for only two small measures. They have asked for some facilities with which to train their teachers and leaders. They have asked for a home or a farm for their delinquent boys and girls. In each of these requests, the proposals have been made to give to the state, without cost, land for the delinquent home, and school facilities for training teachers and leaders. But the legislature declines or neglects to grant even these small requests. Their only method of appeal to the white people of Mjssissippi is through their conscience. If the negroes cannot reach the white people through this method, they have no hope. The failure of the legislature

*Before the Civil War some of the slaves were constantly plotting rebellion. In both, Virginia and Mississippi, poor whites participated in their outbreaks. Compare: Herbert Aptheker, American Negro Slave Revolts. Science and Society. Vol. 1, No. 4. pp. 512-538.

**Jackson (Miss.) Daily News. April 1, 1938.

to grant these two small requests must undoubtedly be very discouraging to them. Also, it must be difficulty for us white people, who practically own the negroes body and soul, to soothe our conscience. It is not yet too late to manifest common justice toward our negroes. At this writing it seems that final adjournment will be indefinitely delayed. Gentlemen, give the negroes a square deal. This is no time to say 'it doesn't matter', or use the subterfuges usually resorted to when the colored folks seek favor. As a matter of fact, they are not asking favor. They only want some semblance of a square deal and a fighting chance to improve the welfare of their race."

We have said that many landlords prefer Negro tenants. A Negro tenant is of course at the mercy of the landlord. Caldwell quotes* a Southerner as saying: "If outsiders would stop sticking their noses into other people people's business, we'd get along all right down here. We know how to run this part of the country, and we are going to see that it's run like we want it. Give a nigger an inch and he'll take a mile. I know them. That's why you have to keep them in their place, and the less you give them, the less they'll try to take from you." More difficult to handle are the white workers. Despite the caste feeling in the South, the white worker has the idea that he is "as good as anybody". That is partially traditional, a relic of pioneer days, but it is perhaps partially owing to the fact that he is constantly reminded that he is "a white man." It is a fact that the average Southern white worker claims a certain amount of respect and consideration, and there is trouble if he doesn't get it. Unfortunately their resentment finds only individual expressions. It is not an uncommon occurrence to hear of a tenant running a landlord off his own land, or beating hell out of him, and occasionally killing him. It is a common occurrence in the South for a worker to beat up a foreman who abuses him. Northern superintendents frequently have a great deal of trouble getting along with Southern workers, who for some reason are not quick to strike against exploitation but are, as individuals, ready to fight at the drop of the hat for some personal affront. It must be admitted, though, that in recent years the white worker has lost some of his old-time individual pride and independence.

Economically, politically, and ideologically, the South is far behind the North and East, and it is not at all impossible that in a period of National crisis there will arise strong forces in the South to advocate and attempt again to secede from the Union, as it is also not at all unlikely that a new civil war may be necessary to force such economic and political changes upon the South as to allow capitalism to create more order temporarily amidst the now chaotic and miserable conditions. All social-reformistic legislation in the Union is dismissed with contempt by the Southern interests. Any proposal there to benefit the white workers is opposed on the ground that "under our constitution" it would also benefit Negroes; and this attitude still finds the applause of many workers, who seem to be willing to make any sacrifice to keep the "niggers at their place."

Southern *Agrarianism,*** together with the authors of "I'll Take My Stand" offer as a solution for the agricultural problems of the South a return

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*You Have Seen Their Faces, p. 17.

**Compare: Troy J. Cauley, Agrarianism. The University of North Carolina Press, 1935.

to the past, to a condition which never existed except in their own minds. Self-sufficient farming will not solve the problem: land ownership is becoming more concentrated, agriculture more mechanized, and all this at a time that the cotton market is being lost. As things stand now there cannot be any radical overthrow of the landlords in the South without an overthrow of the capitalistic system throughout the United States. Agriculture is dominated, and is in feudal subservience to finance capital, which exploits and will continue to exploit it to the zero point. Nor can the problem be solved by the government's feeble attempts to enable share-croppers and tenants to purchase small farms, for the small farm and farmer as such are doomed beyond the power of a government to prevent their fate.

Feverish efforts are being exerted, as in the period of the Civil War, to industrialize the South. The Mississippi legislature passed a law several years ago permitting cities, counties and districts to float bonds for capital issues so that factories may be built and operated. However, the prospects of success are slight. Industries peculiarly suited to the South may arise and develop, and Northern industries may be moved to the South, but the results will be far from a complete industrialization of the South, able to help mitigate the class and caste problems. The stagnation of capital formation in the North, precludes the possibility of such development in the South, not to speak of the general, international situation. But the ambitious Southern borgeoisie knows nothing of the limitations of capitalism. They are convinced that if they just enact the proper legislation, advertise enough, never let communism get a foothold, banish the sit-down strike as illegal, and foster the race hatred, industry will naturally flow into the South and prosper there. As the Don Quixotes of the United States, they waited until capitalism began to exhaust itself before they set out to build it in Dixieland.

BOOK REVIEWS

"Eagle Forgotten". The Life of John Peter Altgeld. By Harry Barnard. The Bobbs-Merrill Company (496 pp. $4)

This new biography of the former governor of Illinois makes it difficult to believe that much more can ever be said about Altgeld. In every respect Mr. Barnard has done a perfect and admirable job. It would not be in keeping with the book to shower it with praise, but the serious reader will experience a strong desire to express his thanks to the author.

This biography is, as it should be, a sociological study of great interest. At first Altgeld's life history is the ordinary "success story". After the usual amount of misery the "land of opportunity" grants to this son of German immigrants a chance "to make good." This story follows the regular pattern, like the lives of other great men who, as Lincoln and Douglas in Illinois, progressed from a teaching position to law practice and then to politics. Dealings in real-estate add to the glory the necessary financial fundament. The Middle West was still in the "opening process"; with energy, shrewdness and the proper connections, it was possible for a few individuals to achieve riches and fame. It was also easy to lose both if one weren't lucky enough to die at the proper moment. One of the best things in Mr. Barnard's book is the sober rejection of many Altgeld legends which speak of his "broken heart" caused by his activities in the Haymarket affair and the viciousness of his adversaries. He won and lost his money in speculations in a quite ordinary

way. His "broken heart" did not hinder him later from becoming the "master-mind" of the Democratic party.

Altgeld was never more than a liberal politician who at times was convinced that it was the job of the decent and intelligent people to attain a capitalism without its worse sides. The labor problem was one of reforms. The "Anarchists" had been denied a square deal; justice on the basis of the law was his concern. He could never see that this law was there to preserve injustice, — if we may employ such concepts as all.

Despite his riches he remained to his death under the sway of a middle-class ideology, advocating reforms which were utopian, — utopian, for if introduced, they would have hampered the kind of capitalistic progress possible at that time. His battle was lost at the start; his policies constituted an expression of crisis conditions, and were at once lost with every new business spurt. However, during such conditions he fulfilled a quite valuable "social service." By helping to foster the illusion that the present economic system can be changed to benefit everybody if only the proper policies were adopted, he encouraged the policy of diverting the discontent of the masses into channels which disperse it to nothing. That his "utopian" ideas were bitterly fought by the reactionaries made them only more valuable.

It is said that Altgeld may be rated as the "father of modern social legislation" in America. Quite so, only that there were many such fathers in each recurring crisis. However, Altgeld's ideas often really sound as if they were taken from Roosevelt's fireside chats. Then as now, however, these social ideas did not hinder the strongest and primary determination to save the capitalist society. It was still "necessary" then to preserve "order" by "extra-ordinary" means; Altgeld's militia was shooting and killing workers then, even as today workers are killed under the Roosevelt regime. Silly as it is today to expect anything else from the present Administration, it is even sillier to expect any other action from Altgeld. More liberal he could not be unless he stepped outside of bourgeois politics. The possibilities, functions, and limitations of liberalism come clearly to light in Mr. Barnard's book, and not because the author is very much concerned with this question, but because he is a serious student interested in examining events objectively.

People, like Altgeld, convinced as they are that "men in rags never yet destroyed a government" want to compromise class antagonism, and when there is the necessity and also the possibility for such compromise, they will take over leading positions. Essentially, problems Altgeld had to deal with are the same Roosevelt wants to solve today on a national scale; only the magnitude of the policy has changed. And due to the magnitude and the persistence of the problems, social ideas have to be realized and can no longer be successfully sabotaged by the atomized capitalistic interests. But with the realization of the "dreams of the past," another paradox arises. What was conceived by progressive liberalism as a solution of the social question and was so difficult to put into practice, serves now as an instrument for tendencies quite the opposite to the reformer's dreams. The social legislation conceived out of the misery and the class struggle of 40 years ago and celebrated as the last word in human progress tends now to prepare and adjust the workers to a social status far below that of the time when a bomb was thrown on Haymarket Square.

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THE WORLD WAR IN THE MAKING

The cessation of capital growth means depression conditions. Capitalism must expand to avoid stagnation and decline. The expansion process becomes increasingly more imperialistic as the national possibilities become more restricted. Imperialism means additional profits through the exploitation of a greater number of workers by fewer capitalists. It means, if successful, better positions in the international scramble for the largest part of the profits created by world production; it means the concentration of capital on an international scale; it means the coordination of all phases of production and distribution to the profit interests of the most powerful of the capitalist nations and combines. Capitalistic reorganizations toward greater profitability cannot always be achieved "peacefully". Not even on a national scale, and less so internationally, because this "reorganization" process implies the destruction of many capitalistic interests. Wars break out in defense of those interests. Like any other capitalism, German capitalism continuously conflicts with other imperialistic interests in its attempts at capital expansion. The precarious condition of world capitalism, not a particular kind of "German aggressiveness," now intensifies the vigorous attempts of the German capitalist system to increase by political—military means its economic strength.

Czechoslovakia — the Stepping Stone

Czechoslovakia derived its existence as a state from the Versailles treaty and its basic imperialistic setup. The fascist concentration of all economic and political powers in Germany led to new imperialistic action by "extraordinary" means. As regards the "ordinary" means, Germany had in the last six years managed to influence the Danube countries and the Balkan nations

economically and politically to a considerable extent.* Its competition in these areas had defeated countries like France, England and America. However, to allow for further advances, capital investments, control over raw materials, markets,must be safeguarded by military means, especially when an existing economic weakness prevents the maintainance of advantageous positions in the long run. An independent Czechoslovakia was a hindrance to German expansion in the Balkans and to the East. After the *Anschluss*** of Austria it was only a question of time till the carefully prepared attack upon Czechoslovakia would be made.

The Czechoslovakian internal situation made it possible for Germany to begin her attack under advantageous conditions which were further improved by the diplomatic assistance of England. Czechoslovakia was not a unified national state. It was inhabited by Czechs, Slovaks, Germans, Magyars, Ukrainians, and Poles. The existing "national antagonism," especially between the Germans and the Czechs, was fundamentally nothing but the conflict between more or less independent capitalist groups for a share in state control, as well as over internal and foreign markets. The larger part of the proletariat, as well as the petty bourgeoisie, was dragged into this conflict.

The old Austrian industry had been centered chiefly in the Sudeten (mountain-chain) districts. After the breakup of the Austrian empire, Czechoslovakian industry retained but a fourth of the former markets, as the other offshoots of the empire immediately raised tariff walls under whose protection they started their own industries. A relative over-industrialization of Czechoslovakia determined economic policies and influenced the relations between the differnt bourgeois factions. In contrast to the largely German border territories, the inner area of Czechoslovakia was relatively little industrialized. Such industry as exists is mainly for domestic consumption. It was less affected by the depression than the export industries in the Sudeten regions. Furthermore, the agricultural Czech interior belongs to the European east which experienced a period of industrialization after the war. This state-fostered industrial development moderated the effects of the crisis on this section of Czechoslovakia. Also, the munitions industry located in the Czech districts and operating at high capacity for years reduced unemploy-

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*German trade with the Danubian countries is continuously increasing. Hungary's economic life, for instance, is now almost entirely dominated by the "Third Reich." In the other countries the increase in trade is hardly less striking, as is shown by the following table:

German Trade with Certain Southeastern European Countries

	Imports		Exports	
	1933	**1937**	**1933**	**1937**
Bulgaria	38.2%	55.0%	36.0%	40.0%
Rumania	18.6%	30.8%	10.6%	20.2%
Turkey	25.5%	41.6%	18.9%	35.4%
Yugoslavia	13.2%	32.6%	13.9%	21.7%

(L'Europe Nouvelle, July 16; p. 762 — July 23; p. 785

**Compare: "German Fascism on the Offensive" in Living Marxism No. 3 (May 1938.)

ment of the Czech workers. Besides the frictions between new and old industries the powerful agricultural interests influenced the government towards an agricultural orientation. Sudeten industry could not find sufficient governmental representation or support and developed opposition to the ruling nationalistic groups.

The Nazi victory in Germany had far reaching consequences for the internal and external politics of Czechoslovakia. It now found itself bordering to a state from whose imperialist urge for expansion it had everything to fear. Its immediate reaction to provocative advances of Germany was a closer support of French imperialism and, consequently, of Russia (diplomatic recognition, nonaggression, and military assistance pact), as well as a closer connection with the states of the little entente. A further effect on foreign policy was the clouding of diplomatic relations with Poland, which had established friendly relations with German imperialism.

The ideological result of Hitler-German activity was an intensified nationalism by the Czechoslovakian bourgeoisie, operating under the mask of anti-fascism. The organized labor movement already supported the nationalistic policies of the Czech government. As the Czech Social Democracy and trade unions identified themselves with the national interests of their bourgeoisie, so the German Social Democracy in the Sudeten region, at first hesitantly, but in the end openly, defended the interests of the German bourgeoisie and strengthened the nationalistic movement. They became objectively fascists for the same reason that the Czechs became anti-fascists. When the diplomatic bonds between Russia and Czechoslovakia were tightened, the Communist Party of Czechoslovakia declared itself ready to cooperate with the bourgeoisie in defense of capitalism and Czech independence. The positions of the diverse labor organizations in Czechoslovakia thus excluded any attempt at solving the German-Czechoslovak contradictions in a socialistic — revolutionary manner.

The reasons for the swift growth of fascism in the Sudeten region are found in its peculiar economic conditions. The crisis manifested itself here in an extraordinary impoverishment of the masses. The decline of the highly developed export industry of the border districts struck down the whole economy and social life. Important production centers of finished goods, textiles, and glass became veritable industrial cemeteries. Even better situated districts such as the soft coal mines and connected industries showed a severe decline and unemployment problem. Wages already low before the crisis (among the lowest in Europe) were further reduced. However, the chief strength of the fascist movement consisted of the mass of impoverished petty bourgeois and peasantry. The decline of the export industries, partly of a petty bourgeois nature, reduced the purchasing power of the masses; taxation brought small tradesmen, merchants and craftsmen to the verge of ruin. The young intelligentsia found no room in the declining economy. The German small farmers in the less fertile border districts were injured by the governmental agrarian measures designed to favor the large landholders. The

Germans in Czechoslovakia saw the solution of their troubles in fascism. Hitler's re-employment program won the masses. Large parts of the working class, tired of the unsuccessful reform policy of the Social Democrats and the idiotic phrase-mongering of the Communists set their hopes on the new rising movement, whose spirit and far-reaching demands promised a decided improvement in their lot. Once this movement had attained sufficient proportions, it was carried on by its own momentum, till the fascist party became the strongest in Sudetenland. That this movement was employed to the fullest extent by German fascism is nothing to be wondered at, and that it was strengthened in return is also obvious.

The Future of the Danube

Czechoslovakia, the stumbling block in Hitler's march to the Southeast, is now removed. Even though it continues to exist, it can no longer refuse Germany's behest. If not continously supported by English loans, it has no alternative but to coordinate its economy and therewith its policies to those of Germany. If necessary, Germany will annex the whole of the country, repeating the performance recently given on the world stage. Czechoslovakia was sacrificed, according to Chamberlain, in the interest of maintaining world peace, as the issue of its independence was not important enough to justify a general conflagration. This, however, is not true. The Czechoslovakian issue is only one aspect of a much larger issue, which again is only a fragment in the mosaic of world policy. The "solution" found in the interest of "world peace" is only temporary and has nothing to do with pacifistic trends in the leading capitalistic powers, but has something to do with their preparations for war. Neither the Godesberg nor the Munich conference dealt with problems of Czech independence; those questions were settled long before. They dealt with problems arising after Germany's desires were satisfied. Though the coordination of German and English imperialism is not possible in the long run, at present the English support of Hitler's actions serves certain interests of English imperialism. And only insofar as those interests are fostered through Germany's advance, will the latter find British support. This support, at the moment, helps Germany in its policies on the Danube, but even here this support is simultaneously counteracted by diplomatic and financial measures on the part of England and France.

The London Times of August 26 quoted the following from the *Deutsche Allgemeine Zeitung* on German-Hungarian *relations:*

"Hungary is the first partner with whom Germany has begun her new trade policy, based on mutual exchange and trade without the use of gold. This is the foundation stone of a new economic zone in Central Europe, which will correspond to the natural unity of the Danube area. The old liberal system of world trade is broken once and for all and will be superseded by the new system, and there should be no doubt that Central Europe forms a natural economic area of which a free and strong Hungary is a cornerstone."

As in Hungary, so elsewhere, Germany quite successfully employed several "unorthodox" methods to gain economic control over the small southeastern European states. With exchange clearing arrangements it managed to get

herself into the debt of those countries, which condition forced them then to buy German goods. Germany buys goods from these countries without loss of foreign exchange, and then resells them abroad to obtain foreign exchange. It employs a number of long-term-credit tricks, and other complicated arrangements to involve her own economic affairs deeply with those of other countries. Politically it supports the national demands of countries like Hungary and Poland to obtain their more or less willing support for her own territorial designs. There can be no doubt that Germany is extremely serious about this southeast expansion, and that she thinks in terms of a German-controlled Central Europe, which would make her the most powerful country on the continent. Though this kind of "imperialistic planning" is, in the long run, not more but less sound than her "national planning" attempts, yet Germany cannot help but continue to look at Central Europe as a "natural", i. e., a German area. However, there is a strong feeling in the Danubian and Balkan nations against this growing German control, a "sentiment" more then ever fostered by Britain and France. Huge English loans to Turkey, French loans to Bulgaria, new loans to Czechoslovakia by both countries, new economic deals between Britain and Rumania are the means of counteracting the German influence. The "harmony" between Germany and countries like Hungary and Poland turns into new frictions on the question of the division of the spoils. And in the background, only apparently undisturbed, lies watchful Italy, not to be left out from the game in the Danube countries and in the Balkans. The struggle for dominance in these territories is by no means at its end, it only begins to enter a serious stage. England and France, not to speak of the smaller directly affected nations, not only will continue to show interest but will increase their interests in the Southeast and continuously face Germany as a merciless adversary. The future of the Danube and the Balkans does not spell peace but new frictions and eventually war.

"They Dress Like Mourners, Yet Rejoice"

It is long known that England's sanctions policy during the Ethiopean conflict was merely an election trick and not a real opposition to Italy's conquest. It is obvious, too, that England's policy in Spain helped rather than hindered the German-Italian invasion. It was long known that the British government favored ceding the Sudeten area to Germany; that Hitler could rely on Chamberlain to the fullest extent. But why? Apparently, all these affairs, threaten England's influence in Europe. England's policy of "retreat" found much opposition and was excused with an existing weakness in armaments. This led to a real "Peoples Front" for more armaments, and to an increase of nationalism useful for internal purposes. England's unpreparedness, however, is nonsense. All countries arm, there is no chance to "out-arm" particular countries. No one can wait for such a day. England does not refuse to act because it is weak, it can afford to delay action because it still is strong. And it gets daily stronger by harping upon a non-existing weakness. It did not find a war against Germany advisable from the viewpoint of her own interests. It had to indicate her readiness for war,

however, to make Germany understand that the latitude given to it is limited, and is permitted only under certain conditions. It had to engage in this simulation of "resistance" for "home consumption".

The English empire is continually threatened on many frontiers. The defense of this empire takes all the strength England can muster, and determines all its policies. If England, in the face of the world situation, can maintain what it has, it has already scored a huge success. It takes more for England to be a non-aggressor than it takes for others to be aggressors. Europe proper is in some ways the least important to England, it is of determining importance to her only insofar as she cannot allow the rise of a European power capable of challenging English supremacy in Europe and therewith the empire as well. After the German defeat in the last world war, France seemed to become the leading power on the European continent. However, in the course of time, England managed to reduce it again to nothing but a vassal state of England. England's "friendliness' towards Germany was designed largely to stop the French advance. However, the Franco-Russian alliance, for which Czechoslovakia served as a bridge for operations, allowed France to maintain a degree of independence, and even offered possibility of a successful opposition to English policies. The Franco-Russian alliance also supported the Russian position; it diminished the danger to be expected from Germany and, consequently, increased Russia's importance as a power in Asia. Russia might very well become a greater danger to England than Germany. Its imperialism always had opposed British imperialism. Russia in China and Persia; her ability to threaten British influence in India and Egypt; her strategic position in Asia, not to be destroyed by a sea power — all these moments have to be feared once more by Britain, especially since the scramble for imperialistic rule in Asia was opened again with the Japanese war against China. Germany's advance might be not only "a lesser evil", but the "solution" of England's imperialistic problems. A combination Russia-China, as well as a combination Russia-America, might do away with the Japanese menace, but not in the interest of England. Russia must not be too strong; a powerful Germany would minimize the Russian menace in Asia. Then again, a Germany too strong, in preference to a strong Russia, will eventually march toward the Dardanelles, i. e., against far-reaching British interests; will eventually blackmail England into surrendering the old and additional new colonies for the *"Volk ohne Raum"*. However, Germany is only marching; the goal is still far away, and for some time to come Germany might well serve England's interests not only by abstaining from alliances against England, but by allying its interests with those of England to allow the latter a more successful policy in Asia. And, anyway, international policy is determined by more powers than England. The German rise simply had to be taken into consideration, and attempts had to be made to utilize it. France had to be weakened to satisfy Italy and to loosen the latter's bonds with Germany. Germany had to be given concessions to prepare the stage for new German-Italian rivalries, forcing Italy back into an alliance with England. Time will break the Rome-Berlin axis; it will break precisely because of its success. The German advance broke the

Franco-Russian pact, and Russia has now to restrict its Asiatic ambitions; it cannot function in Asia against both England and Japan with Germany in its rear. It loses importance as an ally of America, and strengthens the position of England toward the U. S. A. Though Japan is still on the scene, it is quite isolated and can be dealt with at a more opportune moment. It might even be forced to come to terms with England if the war in China lasts long enough; a long tradition of Japanese-English friendship is not forgotten. There exists also the paradoxical situation that the U. S. with its trade helps Japan to continue its war, to increase its opposition to England; a circumstance that may force England into a Russian alliance, so that, when it comes to a division of the Asiatic spoils, America can demand its proper share on the basis of the Russian bayonets. An American-Russian alliance considerably weakens the English position in Asia, which also accounts for the lax attitude of England toward Japanese aggression. The isolation of the Japanese-Chinese war is explainable only on the basis of the rivalries among America, Russia and England. The far-seeing policy of England, not inconsistent with her noted pragmatic attitude, comes clearly to light in the present refusal to support Russia by eliminating the German danger. However, the future may still force England into line with Russia and America and this will lead to a reshifting of the European imperialistic setup, to a new war crisis, and possibly even to actual war.

There are many other combinations. It would take books to deal with all the imperialistic probabilities, and all these books would not lead to one decisive statement as to the actual line up of powers in the coming world war. Hitler might be forced, by internal as well as external developments, to ally Germany to Russia and turn once more against the West, and to attempt to break down the English empire. What is predictable, on the basis of the present situation and through a knowledge of the character of capitalist production, is that the war is inevitable, unless the social revolution does away on an international scale with crisis conditions which under capitalism can be solved only temporarily. All we are concerned with here is to show that, whatever moves are made on the international scene, they have nothing to do with ideological considerations, or forms of government, but with the immediate and resulting future interests of the various imperialistic nations. Roosevelt's appeal for peace, for instance, did not result from his navy-favored pacifist attitude, nor, as is often assumed, from his pro-English position, but from a consideration of American capitalism directed against Germany in the interest of Russia, its probable ally in American Asiatic policy.

As a side issue, though of no small importance, England's pro-German policy, directed against French and Italian interests, has secured for it the possibility of maintaining sufficient influence in Spain. In short, in every respect and for the near future, English policy, directed at avoiding a war at this moment, was exclusively dictated by Britain's own imperialistic interests. From the viewpoint of realities the international policy of England has again met with success. Though England has to share its triumph with Germany and Italy, nevertheless it lost nothing it self, and succeeded in improving its Asiatic position considerably, trusting that the future will not

serve the present European lineup too much, and will prevent both Germany and Italy from asking more than England is willing to grant. However, it pays for England to appear the victim instead of the victor; to maintain the attitude of mourner and yet rejoice. For instance, it creates another "paradoxical" but nevertheless useful situation in England itself. Not Herbert Morrison, the labor leader, hypocritically clamoring for war against "fascism" — that is, asking for English fascism — but the "fascist" Neville Chamberlain, by postponing the war, remains for the time being the best defender of English "democracy." In the meantime, armaments will increase unopposed; nationalism, especially fostered by the labor leaders, will grow; the economic and political scene in the "democratic countries" will become less distinguishable from those in the "fascist countries." The struggle for "democracy" against "fascism" leads, before it starts, to the fascization of the "democratic countries," and the actual struggle will, in all probability, be fought as that which it really is: a struggle of one set of capitalists against another.

American "Isolation"

Lately, especially during the European war crisis, the question of American isolation was again most heatedly discussed. Isolationists proclaimed that those fostering "collective security" were working in the interest of either England or Russia, that peace and prosperity can be maintained only by avoiding all European entanglements. However, America never was and never will be so isolated. Though America at times can forego aggression in its imperialistic designs, its imperialistic needs do not disappear. In the propaganda for "collective security" and the "peace of the world" imperialism found more attractive names. Like any other government now, the American government is war-minded. However, wars are always advocated and fought in the interests of peace, which some neighbor, often thousands of miles away, never fails to disturb. Hitler, too, wants peace — naturally, a German peace. Roosevelt maintained in his famous Chicago speech that "aggressors should be quarantined by the concerted action of all peace-loving nations." And Mr. Hull, Secretary of State, pointed out in a recent speech on international relations over the radio (August 16) and to the dismay of the isolationists that

> **"in the circumstances which prevail in the world today, no nation and no government can avoid participation in determining which course shall be taken... Each day's development makes increasingly clear that our own situation is profoundly affected by what happens elsewhere in the world."**

In accordance with the recognition of "America's duties," armaments are increased at an ever swifter tempo. The navy brings its fighting ships up to 336, including 22 super-dreadnoughts, 69 cruisers, 149 destroyers, and 116 submarines. "The technical nature of the President's naval message and of the naval bill," said a report by a group of isolationists, including Senators Nye, Borah, Vandenberg and Hiram Johnson,

> **"shows that the bill may be used to implement the quarantine and the policy of intervention in Asia; and if this bill is passed (it was), the President will have a blanket authorization, after Congress adjourns, to apply the universal quarantine policy and the Asiatic interventionist policy."**

As for the army, Secretary of War Woodring recently pointed out that plans are perfected to mobilize one and one-quarter millions of men within four months. Industrial mobilization plans are ready for immediate use; the munitions works are booming. However, the general attitude, carefully fostered by the propaganda machine, maintains that America is only interested in another war to stop once and for all the "lawlessness" of the aggressor nations; to make the world really safe for "democracy". And such intentions are demonstrated by Mr. Ickes' refusal to sell helium to Germany, and by the discovery of German spies in America; however, not by stopping the shipments of scrap iron for Japanese munition works. Though the "American heart" is on the side of Loyalist Spain, still nothing essential was done to help the country, for it never was clear that such a help would foster American interests. The naval program is supposedly conceived as a support to the English fleet when the latter goes out to establish "order" in the world. And it might very well act in such a capacity, if England succeeds in drawing America to her side or if America should find it convenient to line up with England. If such a combination, or the one previously mentioned, should become a reality, the Americans would not arm for the sake of others, but for their own imperialistic interests.

We Are All Marxists Now

After the last war many important statesmen turned Leninist. Wilson proclaimed the right of self-determination of the small nations. France and England practiced the principle by creating a number of little states to hinder a German comeback. In their excitement they overlooked that the new countries on their part, oppressed a considerable number of minorities. But things were settled. The reconstruction of world capitalism guaranteed peace for a considerable time. Then the depression of 1929 set the stage for new imperialistic movements. Things began to happen. Japan took Manchuria and penetrated into China. Italy went to Africa and Spain; Germany to Spain and the Southeast. The slogan of "selfdetermination," once raised against Germany, was now used by the Germans in their own interests. The slogan conceived by Lenin, because it would bother England through unrest in her colonial possessions, now helped to bring Austria and the Sudeten region to fascist Germany. The Wilson-Lenin slogan no longer served the Allies nor Russia, nor did it serve the reformist and nationally bound labor movement. "No longer can we use," said Otto Bauer, shortly before his death, "the slogan of the self-determination of nations, for it is now used by Hitler for imperialistic purposes; instead, we have to raise the slogan of Frederick Engels from the year 1848: "An alliance of all revolutionary nations against the counter-revolutionary nations."* From such a "Marxist" point of view one has to look upon Russia, America, England and France as "revolutionary" and support them in their "revolutionary Marxist struggle" against "counter-revolutionary" fascism. However, such a "return

*O. Bauer, "Self-determination for the Sudeten Germans?" Der Sozialistische Kampf. June 16, 1937, p. 27.

to Marx and Engels" indicates only that the old labor movement, as yesterday so today, is not concerned with a struggle against capitalism, but only with a struggle for a capitalism granting the right to "organize labor." Its fight against fascism really is a bread-and-butter fight of labor organizers. However, their struggle is lost forever; one cannot fight fascism without fighting capitalism. The old labor movement tries to sell its shabby remnants once more to capitalistic and imperialistic purposes, and creates already in peace time what was the most disgusting aspect of the last war: a chauvinism much greater than the bourgeoisie is able to develop itself. Under such conditions, it seems utterly fantastic to assume that the coming war, which was postponed, but merely postponed, could be prevented by actions on the part of the organized working class. With the exception of a few voices in the wilderness, the workers hear nothing, from right to left, but of the need for war. They must, to stop the war, oppose not only the whole of international capitalism in all its forms and expressions, but also the whole international organized labor movement in all its forms and expressions; a task which, it seems to us, is too large to be expected to be accomplished without the "education," the force, and the help of gigantic crisis and war, and the coming war may yet serve the working class as a basis for new attempts at a world-revolutionary solution of its most urgent needs.

LENIN'S PHILOSOPHY

Some additional remarks to J. Harper's recent criticism of Lenin's book "Materialism and Empirio-Criticism."

Leninism Goes West

There is a striking contrast between the impression produced in the minds of West-European revolutionaries by those short pamphlets of Lenin and Trotsky which appeared in poorly translated and poorly printed editions during the final stage and the aftermath of the war, and the response called forth in Europe and U. S. A. by the belated appearance, in 1927, of the first extra-Russian versions of Lenin's philosophical work of 1908, on **"Materialism and Empirio-Criticism."**

Those earlier pamphlets on **"The Marxist Theory of the State and the Tasks of the Proletarian Revolution"** and on **"The Next Tasks of the Soviet-Power"** were eagerly studied by the European radicals as the first reliable news from a victorious proletarian revolution and as practical guides for their own impending revolutionary uprisings. They were, at the same time, ignored, falsified, calumniated, despised, and — frightfully feared by the bourgeoisie and its reformist and Kautskyan-centrist backers within the Marxist camp. When Lenin's philosophical work appeared the whole scene had changed. Lenin was dead. The Russia of the Soviets had been gradually transformed into just another state immerged in the competitive struggles between the various "blocks" of powers which had been formed in a Europe apparently quickly recovering from the war and from the deep but transitory economic crisis resulting from the war. Marxism had been replaced by Leninism or, more recently, by Stalinism which was now no more regarded primarily as a theory of the proletarian class struggle but rather as the ruling

philosophy of a state, different but not entirely different from such other state philosophies as fascism in Italy and democracy in the U. S. A. Even the last remnants of the proletarian "unrest" following the war had flickered out with the crushing defeat of the English general strike and miners' strike in 1926 and the bloody termination of the first and so-called "communist" phase of the Chinese revolution. Thus, the European intelligentsia was quite ready to accept, along with the hitherto unknown earliest philosophical writings of Marx which were now published in a princely fashion by the Marx-Engels-Lenin-Institute in Moscow, the equally "piquant" philosophical revelations of his great Russian disciple who, after all, had swept the empire of the Czar and until his death maintained an unchallenged dictatorship there.

But those strata of the West-European proletariat who had been the first and the most serious and persistent readers of Lenin's revolutionary pamphlets of 1917-1920 had apparently disappeared from the scene. They had been replaced in the public eye either by those all-adaptable careerists of Stalinism who form the only stable sector of the rapidly shifting membership of all extra-Russian Communist parties today, or as typical of recent English C. P. development, by progressive members of the ruling class itself and its natural supporters within the better educated, most cultured, and well-to-do strata of the old and new intelligentsia who have practically replaced the former proletarian membership. Revolutionary proletarian communism seemed to survive only in isolated individual thinkers and in such small groups as the Dutch Council Communists from which the pamphlet under discussion originated.

We might expect that Lenin's book when it was finally made available to the West-European and American public for the express purpose of spreading there those philosophical principles of Marxism which form the basis of the present Russian state and of its ruling Communist party would have met with almost universal applause. Nothing of the kind has happened. No doubt the philosophy of Lenin as expressed in that book is infinitely superior, even from a strictly theoretical viewpoint, to those scattered crumbs from the systems of bygone counterrevolutionary philosophers and sociologists that have been formed into the semblance of a philosophical system of fascism by Mussolini, with the help of the former Hegelian philosopher, Gentile, and other intellectual aides-de-camp. It is incomparably superior to that huge mass of trite every-day talk and senseless trash which figure as a politico-philosophical **Weltanschauung** in the "theoretical" work of Adolf Hitler. Thus the people who could find novelty and wisdom in the ideas of Mussolini and discover sense in the vaporings of the German leader, certainly should not have felt any difficulty in swallowing also that considerable amount of misinterpretation, misunderstanding, and general backwardness which mar the theoretical value of Lenin's philosophical attempt. Even those few who today are acquainted with the works of the philosophers and scientists discussed by Lenin in 1908 and with the developments of modern science generally might have been able to dig out of this work of Lenin (to speak in the favorite style of its author) that "gem" of clear and persistent revolutionary thought which is "hidden in the rubbish" of unqualified acceptance of the obsolete "materialist" concepts of a past historical epoch and equally unqualified abuse of some of the most genuine attempts of modern scientists to promote the theory of materialism. Nevertheless, the response of the progressive bourgeois intelligentsia at large to the belated propaganda of Lenin's materialist philosophy must have proved disappointing to the Russians, who had shown on several occasions that they were by no means above desiring some applause for their pet achievements in matters of theory even from such Marxistically "unholy" quarters as the philosophical and scientific circles of Western Europe and America. There was not so much open hostility as indifference and, even more awkward, just among those whose applause would have

been most cherished, a kind of polite embarrassment.

Nor was this embarrassing silence disturbed, for a long time, by any vigorous attack from that left radical Marxist minority which formerly had so violently assailed every attempt of Lenin and his successors to transform the political and tactical principles successfully applied by the Bolsheviks in the Russian revolution into universally valid principles of the proletarian world revolution. The remaining representatives of that leftist tendency were very slow to raise an equally fierce attack against the analogous attempt of a world-wide application of Lenin's philosophical principles as the only true philosophical doctrine of revolutionary Marxism. Here at last, thirty years after the first (Russian) publication of Lenin's book and eleven years after the appearance of its first German and English tanslations: — is the first critical re-examination of Lenin's contribution to the materialist philosophy of Marxism, written by one who undoubtedly and for many reasons is better qualified for this particular task than any other contemporary Marxist.* Even so there is little hope that this first important criticism of Lenin's philosophy will reach even that relatively small minority of revolutionary Marxists to whom it is mainly addressed. It is published under an almost impenetrable pseudonym and, most characteristically, up to now in the shape of a stenciled manuscript only.

There was, then, a considerable lag of time on both sides of that world-wide struggle between Western European Marxist left radicalism on the one hand and Russian Bolshevism on the other, before the opposed camps discovered that their political, tactical and organizational contrasts depended, in the last instance, on those deeper principles which had hitherto been neglected in the heat of the practical fight and thus could not be thoroughly elucidated without going back to those underlying philosophical principles. It seems as if even here old Hegel was right when he said that "the bird of Minerva begins its flight when the day is gone." It does not follow, however, that this last, "philosophical phase" of the social movement going on in a given epoch should be, at the same time, the highest and most important phase. The philosophical fight of ideas is, from a proletarian point of view, not the basis but just a transitory ideological form of the revolutionary class struggle determining the historical development of our time.

Leninism Versus Machism

It is impossible to discuss in a single article the many important results of this masterly pamphlet. After a short and luminous account of the historical development of Marxism since the days of Marx and of early bourgeois materialism, Harper goes on to restate in an irreproachable manner the true theoretical contents of the attempts by Joseph Dietzgen on the one hand and by the bourgeois scientists, Mach and Avenarius, on the other, to improve upon their predecessors by completing their materialistic representation of the objective world by an equally materialistic representation of the process of knowledge itself. He shows conclusively the incredible distortions those later theories have suffered in Lenin's utterly biased account. There does not exist, so far as we know, an equally masterly report of the main scientific contents of the work of Mach and Avenarius as is contained in the 25 pages devoted to their theories in this pamphlet. Nor is there an equally powerful refutation of the theoretical blunders committed by Lenin and his followers in their naive criticism of the modern scientific definitions of such terms as "matter", "energy", "laws of nature", "necessity", "space", "time", etc., from the standpoint of so-called "common-sense" which is, in fact, in most cases nothing else but a rehash of the physics theories

*J. Harper, **Lenin als Philosoph.** Kritische Betrachtung der philosophischen Grundlagen des Leninismus. Bibliothek der "Ratekorrespondenz" No. 1. Ausgabe der Gruppe Internationaler Kommunisten in Holland. (112 pp.; 30 cents). Distribution in U.S.A. through **Council Correspondence,** P. O. Box 5343, Chicago, Ill.

of bygone epochs of scientific development. (It was for this reason, by the way, that Frederick Engels already had described so-called commonsense as "the worst of all metaphysicians.")

Nevertheless, this is only one, and perhaps not the most important, aspect of Harper's critical revision of Lenin's work. The main weakness of Lenin's attack on Machism is not its general unfairness, outright misrepresentation of the essentially materialistic approach underlying the new positivistic philosophy, and complete unawareness of the real achievements made since the days of Marx and Engels in the field of modern physical science. The main weakness of Lenin's "materialistic" criticism of what he called an idealistic (solipsistic, mystical and, in the last instance, plainly religious and reactionary) tendency hidden in the pseudo materialistic and scientific theories of Mach and his followers, is his own inability to go beyond the intrinsic limitations of bourgeois materialism. Much as he talks of the superiority of "modern" Marxist materialism over the abstract philosophical and mainly naturalistic approach of the early bourgeois materialists, he still conceived this difference between the old and new materialism as a difference not in kind but in degree. At the utmost he described "modern materialism" as founded by Marx, as a materialism "immeasurably richer in content, and incomparably better grounded than all previous forms of materialism."** He never conceived of the difference between the "historical materialism" of Marx and the "previous forms of materialism" as an unbreachable opposition arising from a real conflict of classes. He conceived it rather as a more or less radical expression of one continuous revolutinary movement. Thus Lenin's "materialistic" criticism of Mach and the Machians, according to Harper, failed even in its purely theoretical purpose mainly because Lenin attacked the later attempts of bourgeois naturalistic materialism not from the viewpoint of the **historical materialism** of the fully developed **proletarian class,** but from a preceding and scientifically les developed p h a s e of **bourgeois materialism.**

This judgment of Lenin's materialist philosophy of 1908 is corroborated by the later developments of Lenin's philosophical theory which are not dealt with in this pamphlet.

The recent publication by the Marx - Engels - Lenin - Institute of Lenin's philosophical p a p e r s dated from 1914 et seq. shows the first germs of that particular significance which during the last phases of Lenin's activity and after his death the philosophical thought of Hegel assumed in Lenin's "materialistic philosophy." A belated revival of the whole of the formerly disowned **idealistic dialectics of Hegel** served to reconcile the acceptance by the Leninists of old bourgeois materialism with the formal demands of an apparently anti bourgeois and proletarian revolutionary tendency. Whilst in the preceding phases **"historical materialism"** still had been conceived, though not with sufficient clearness, as different from the "previous forms of materialism" the emphasis was now shifted from "historical" materialism to **"dialectical materialism"** or, as Lenin said in his latest contribution to the subject, to "a materialistic application of Hegelian (idealistic) dialectics." Thus the whole circle not o n l y of bourgeois materialistic thought but of all bourgeois philosophical thought from Holbach to Hegel was actually repeated by the Russian dominated phase of the Marxist movement, which passed from the adoption of 18th century and Feuerbachian materialism by Plechanov and Lenin in the pre-war period to Lenin's appreciation of the "intelligent idealism" of Hegel and other bourgeois philosophers of the 19th century as against the "unintelligent materialism" of t h e earlier 18th century philosophers.***

**See: Lenin, Collected Works, Vol. XIII. International Publishers. New York 1927; p. 291.

***See: Lenin. Aus dem Philosophischen Nachlass. E x z e r p t e and Randglossen. German ed. Berlin 1932; p. 212.

Present Impact of Lenin's Materialistic Philosophy

In the last parts of the pamphlet Harper deals with the historical and practical significance of the peculiar theoretical aspects of Lenin's materialist philosophy as discussed in the preceding chapters. He fully acknowledges the tactical necessity, under the conditions in pre-revolutionary czarist Russia, of Lenin's relentless fight against the left bolshevik, Bogdanov, and other more or less outspoken followers of Mach's ideas who in spite of their good revolutionary intentions actually jeopardized the unity and weakened the proven revolutionary energy of the Marxist party by a revision of its "monolithic" materialistic ideology. In fact, Harper goes somewhat further in his positive appreciation of Lenin's philosophical tactics of 1908 than seems justified to this writer even in a retrospective analysis of the past. If he had investigated, in his critical revision of Lenin's anti-Machist fight, the tendencies represented by the Russian Machists as well as those of their German masters he might have been warned against the unimpeachable correctness of Lenin's attitude in the ideological struggles of 1908 by a later occurrence. When Lenin, after 1908, was through with the Machist opposition which had arisen within the central committee of the Bolshevik party itself, he regarded that whole incident as closed. In the preface to the second Russian edition of his book, in 1920, he mentioned the fact that he had "no opportunity to examine Bogdanov's latest works," but was quite convinced, by what he had been told by others, that "under the guise of 'proletarian culture' Bogdanov is introducing bourgeois and reactionary views." Yet he did not deliver him to the GPU to be instantly shot for this horrible crime. He was quite content, in those pre-Stalinist days, to leave the spiritual execution to the good and reliable party-worker whose article he annexed to his book. Thus we learn from the faithful Leninist, V. I. Nevsky, that Bogdanov had not only unrepentantly persisted in his former Machist errors, but even had added to them a new and more glaring crime of omission. It is a "curious circumstance," reports Nevsky, that in all his writings on theoretical topics and on the problems of proletarian culture published during the period of the dictatorship of the proletariat, Bogdanov never mentioned a single word about "production and the system of its management during the dictatorship of the proletariat, just as there is not mentioned a word about the dictatorship itself." The fact proves, indeed, the unreformed and unreformable character of that "idealistic" sinner against the very principles underlying the materialist philosophy of Lenin and his followers. We do not want to imply here that Bogdanov's definitions of the physical world as "socially organized experience," of **matter** as "nothing else than resistance to collective labor efforts," and **nature** as the "unfolding panorama of work-experience," contain a really materialistic and proletarian solution of the problem raised by Marx in his **Theses on Feuerbach** of 1845 when he said that "the chief defect of all hitherto existing materialism was that the given world, reality, sensuousness, was conceived only in the form of the **object** or of **contemplation,** but not subjectively as **human sensuous activity**" or as **"revolutionary practice."** The real point is that we should not under any conditions, either today or even retrospectively, make the slightest concession to that basic fallacy inherent in Lenin's philosophical fight against Machism and faithfully repeated by his minor followers in their struggle against the materialistic attempts of scientific positivism today.

This fallacy is that the militant character of a revolutionary materialist theory can and must be maintained against the weakening influences of other apparently hostile theoretical tendencies by any means to the exclusion of modifications made imperative by further scientific criticism and research. This fallacious conception caused Lenin to evade discussion on their merits of such new scientific concepts and

theories that in his judgment jeopardized the proved fighting value of that revolutionary (though not necessarily proletarian revolutionary) materialist philosophy that his Marxist party had adopted, less from Marx and Engels than from their philosophical teachers, the bourgeois materialists from Holbach to Feuerbach and their idealistic antagonist, the dialectical philosopher Hegel. Rather he stuck to his guns, preferring the immediate practical utility of a given ideology to its theoretical truth in a changing world. This doctrinaire attitude, by the way, runs parallel to Lenin's political practice. It corresponds to his unshakable jacobinic belief in a given **political form** (of a party, a dictatorship, or a state) which has been found useful to the aims of the bourgeois revolution of the past and can therefore be trusted as useful to the aims of the proletarian revolution as well. Both in his revolutionary materialist philosophy and in his revolutionary jacobinic politics. Lenin hid from himself the historical truth that his Russian revolution, in spite of a temporary attempt to break through its particular limitations in connection with the simultaneous revolutionary movement of the proletarian class in the West, was bound to remain in fact a belated successor of the great bourgeois revolutions of the past.

It is a long way from Lenin's violent philosophical attack on Mach and Avenarius' "idealistic" positivism and empirio-criticism to that refined scientific criticism of the latest developments within the positivist camp which was published in 1938 in the extremely cultured periodical of the English Communist party.* Yet there is underlying this critical attack on the most progressive form of modern positivistic thought the same old Leninist fallacy. The critic carefully avoids committing himself to any school of philosophical thought. He would most likely agree with Ludwig Wittgenstein who in his final phase dealt with all philosophy as a curable disease rather than a series of problems. Yet he bases his whole argument against modern positivism on the assumption that the vigorous fight waged by the old militant positivism against all philosophy was founded on the very fact that this old positivism had started from a distinctly philosophical creed itself. When therefore the latest and in some respects most scientific school of the modern "Logical Positivists" as represented by R. Carnap recently withdrew temporarily from the "philosophical" attempt of constructing "one homogeneous system of laws for the whole of science," and instead concentrated on the more modest task of establishing a "unity of the language of all science**" it would follow from the argument brought forward by their pseudo-Leninist critic that by the same process by which they abandon their former philosophical basis they must necessarily weaken also the crusading ardor of their former antiphilosophical fight. "The positivist who disturbed every philosophical backwater with rude cries of nonsense," says the critic, "is now reduced to saying, in the mildest and most inoffensive manner, 'nonsense is my language". It is easy to see that this argument can be used in a twofold manner, as a theoretical attack against the confusion between philosophy and science underlying the earlier phases of positivism, and as a practical justification for keeping up that philosophical basis in spite of the belated discovery of its scientific unsoundness. However, the whole argument is not founded on any sound logical or empirical reasoning. There is no need either for the modern bourgeois scientist or for the Marxist to stick to an obsolete (positivistic or materialistic) "philosophy" for the purpose of preserving his full and unbroken "militancy" in the fight against that necessarily in all its forms "idealistic" system of ideas which during the last century under the name of "philosophy" has widely (though not completely) replaced medieval religious faith in the ideology of modern society.

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*See: M. Black, The Evolution of Positivism. The Modern Quarterly, vol. I, No. 1, London 1938.

**See: R. Carnap, Logical Foundations of the Unity of Science, 1938.

Harper, although not fully abandoning the belief in the need of a "Marxist philosophy" for the revolutionary struggle of the modern proletarian class, is aware of the fact that present-day Leninist "materialism" is absolutely unfit to serve this purpose. It is rather a suitable ideological base of that no longer essentially anti-capitalistic but only "anti-reactionary" and "anti-fascist" movement which has recently been inaugurated by the Communist parties all over the world under the new slogans of a "People's Front" or in some cases even of a "National Front." This present-day Leninist ideology of the Communist parties which in principle conforms to the traditional ideology of the old Social Democratic party does no longer express any particular aims of the proletarian class. According to Harper, it is rather a **natural expression of the aims of the 'new class' of the intelligentsia,** i e., an ideology which the various strata belonging to this so-called new class would be likely to adopt as soon as they were freed from the ideological influence of the decaying bougeoisie. Translated into philosophical terms, this means that the "new materialism" of Lenin is the great instrument which is now used by the Communist parties in the attempt to separate an important section of the bourgeoisie from the traditional religion and idealistic philosophies upheld by the upper and hitherto ruling strata of the bourgeois class, and to win them over to that system of state capitalistic planning of industry which for the workers means just another form of slavery and exploitation. This, according to Harper, is the true political significance of Lenin's materialistic philosophy.

l. h.

GENERAL REMARKS ON THE QUESTION OF ORGANIZATION

Organization is the chief principle in the working class fight for emancipation. Hence the forms of this organization constitute the most important problem in the practice of the working class movement. It is clear that these forms depend on the conditions of society and the aims of the fight. They cannot be invention of theory, but have to be built up, spontaneously, by the working class itself, guided by its immediate necessities.

With expanding capitalism the workers first built their trade unions. The isolated worker was powerless against the capitalist; so he had to unite with his fellows in bargaining and fighting over the price of his labor power and the hours of labor. Capitalists and workers have opposite interests in capitalistic production; their class struggle is over the partition of the total product between them. In normal capitalism the share of the workers is the value of their labor power, i. e., what is necessary to sustain and to restore continually their capacities to work. The remaining part of the product is the surplus value, the share of the capitalist class. The capitalists, in order to increase their profit, try to lower wages and increase the hours of labor. Where the workers were powerless wages were depressed below the existence minimum; the hours of labor were lengthened until the bodily and mental health of the working class deteriorated so as to endanger the future of society. The formation of unions and of laws regulating working conditions — features rising out of the bitter fight of workers for their very

life conditions — were necessary to restore normal conditions of work in capitalism. The capitalist class itself recognizes that trade unions are necessary to direct the revolt of the workers into regular channels to prevent them from breaking out in sudden explosions.

Similarly, political organizations have grown up, though not everywhere in exactly the same way, because the political conditions are different in different countries. In America, where a population of farmers, artisans and merchants free from feudal bonds could expand over a continent with endless possibilities, conquering the natural resources, the workers did not feel themselves a separate class. They were imbued, as were the whole of the people, with the middle-class spirit of individual and collective fight for personal welfare, and the conditions made it possible to succeed to a certain extent. Except at rare historic moments or among recent immigrant groups, no necessity was felt for a separate working class party. In the European countries, on the other hand, the workers were dragged into the political struggle by the fight of the rising bourgeoisie against feudalism. They soon had to form their working class parties and, together with part of the middle class had to fight for political rights, for the right to form unions, for free press and speech, for universal suffrage, for democratic institutions. A political party needs general principles for its propaganda; for its fight with other parties it wants a theory having definite views about the future of society. The working class of Europe, in which communistic ideas had already developed, found its theory in the scientific work of Marx and Engels, explaining the development of society through capitalism towards communism by means of the class struggle. This theory was accepted in the programs of the Social-Democratic parties of most European countries; in England, the Labour Party formed by the trade unions, professed analogous but more vague ideas about a kind of socialist commonwealth as the aim of the workers.

In their programs and propaganda the proletarian revolution was the final result of the class struggle; the victory of the working class over its oppressors was to be the beginning of a communistic or socialist system of production. But so long as capitalism lasted the practical fight had to center on immediate needs and the preservation of standards in capitalism. Under parliamentary government parliament is the battlefield where the interests of the different classes of society meet; big and small capitalists, land owners, farmers, artisans, merchants, industrialists, workers, all have their special interests which are defended by their spokesmen in parliament, all participate in the struggle for power and for their part in the total product. The workers have to take part in this struggle. Socialist or labor parties have the special task of fighting by political means for the immediate needs and interests of the workers within capitalism. In this way they get the votes of the workers and grow in political influence.

II.

With the modern development of capitalism conditions have changed. The small workshops have been superseded by large factories and plants with thousands and tens of thousands of workers. With this growth of capitalism

and of the working class its organizations also had to expand. From local groups the trade unions grew to big national federations with hundreds of thousands of members. They had to collect large funds for support in big strikes, and still larger ones for social insurance. A large staff of managers, administrators, presidents, secretaries, editors of their papers, an entire bureaucracy of organization leaders developed. They had to haggle and bargain with the bosses; they became the specialists acquainted with methods and circumstances. Eventually they became the real leaders, the masters of the organizations, masters of the money as well as of the press, against the members, who lost much of their power. This development of the organizations of the workers into instruments of power over them has many examples in history; when organizations grow too large the masses lose control of them.

The same change takes place in the political organizations, when from small propaganda groups they grow into big political parties. The parliamentary representatives are the leading politicians of the party. They have to do the real fighting in the representative bodies, they are the specialists in that field, they make up the editorial, propaganda, and executive personnel; their influence determines the politics and tactical line of the party. The members may do the voting, assist in propaganda and pay their dues; they may send delegates to debate at party congresses, but their power is nominal and illusionary. The character of the organization resembles that of the other political parties — of organizations of politicians who try to win votes for their slogans and power for themselves. Once a socialist party has a large number of delegates in parliament it makes alliances with others against reactionary parties to form a working majority. Soon socialists become ministers, state officials, mayors and aldermen. Of course, in this position they cannot act as delegates of the working class, governing for the workers against the capitalist class. The real political power and even the parliamentary majority remains in the hands of the capitalist class. Socialist ministers have to represent the interests of the present capitalist society, i. e., of the capitalist class. They can attempt to initiate measures for the immediate interests of the workers and try to induce the capitalist parties to acquiesce. They become middlemen — mediators — pleading with the capitalist class to consent to small reforms in the interests of the workers, and then try to convince the workers that these are important reforms which they should accept. And then the Socialist Party, as an instrument in the hands of these leaders, has to support them and also, instead of calling upon the workers to fight for their interests, to pacify them and deflect them from the class struggle.

Indeed, fighting conditions have grown worse for the workers. With their capital the power of the capitalist class has increased enormously. The concentration of capital in the hands of some few captains of finance and industry, the coalition of the bosses themselves, confronts the trade unions with a much stronger and often nearly unassailable power. The fierce competition of the capitalists of all countries over markets, raw materials and world

power, the necessity of using increasing parts of the surplus value for this competition, for armaments and warfare; the falling of the profit rate compel the capitalists to increase the rate of exploitation, i. e., to lower the working conditions for the workers. Thus the trade unions meet increasing resistance, the old methods of struggle grow useless. In their bargaining with the bosses the leaders of the organizations have less success; because they know the power of the capitalists, and because they themeselves do not want to fight — since in such fights the funds and the whole existence of the organization might be lost — they must accept what the bosses offer. So their chief task is to assuage the discontent of the workers, and to defend the proposals of the bosses as important gains. Here also the leaders of the workers' organizations become mediators between the opposing classes. And when the workers do not accept the conditions and strike, the leaders either must oppose them or allow a sham fight, to be broken off as soon as possible.

The fight itself, however, cannot be stopped or minimized; the class antagonism and the depressing forces of capitalism are increasing, so that the class struggle must go on, the workers must fight. Time and again they break loose spontaneously without asking the unions and often against their decisions. Sometimes the union leaders succeed in regaining control of these actions. This means that the fight will be gradually smothered in some new arrangement between the capitalists and labor leaders. This does not mean that without this interference such wildcat strikes will be won. They are too restricted to the directly interested groups. Only indirectly the fear of such explosions tends to foster caution by the capitalists. But these strikes prove that the class fight between capital and labor cannot cease, and that when the old forms are not practicable any more, the workers spontaneously try out and develop new forms of action. In these actions revolt against capital is also revolt against the old organizational forms.

III.

The aim and task of the working class is the abolition of capitalism. Capitalism in its highest development, with its ever deeper economic crises, its imperialism, its armaments, its world wars, threatens the workers with misery and destruction. The proletarian class fight, the resistance and revolt against these conditions, must go on till capitalist domination is overthrown and capitalism is destroyed.

Capitalism means that the productive apparatus is in the hands of the Capitalists because they are the masters of the means of production, and hence of the products, they can seize the surplus value and exploit the working class. Only when the working class itself is master of the means of production does exploitation cease. Then the workers entirely control their conditions of life. The production of everything necessary for life is the common task of the community of workers, which is then the community of mankind. This production is a collective process. First each factory, each large plant is a collective of workers, combining their efforts in an organized way. Moreover, the totality of world production is a collective process; all the separate

factories have to be combined into a totality of production. Hence, when the working class takes possession of the means of production, it has at the same time to create an organization of production.

There are many who think of the proletarian revolution in terms of the former revolutions of the middle class, as a series of consecutive phases: first, conquest of government and installment of a new government, then expropriation of the capitalist class by law, and then a new organization of the process of production. But such events could lead only to some kind of state capitalism. As the proletariat rises to dominance it develops simultaneously its own organization and the forms of the new economic order. These two developments are inseparable and form the process of social revolution. Working class organization into a strong unity capable of united mass actions already means revolution, because capitalism can rule only unorganized individuals. When these organized masses stand up in mass fights and revolutionary actions, and the existing powers are paralyzed and disintegrated, then, simultaneously, the leading and regulating functions of former governments fall to the workers' organizations. And the immediate task is to carry on production, to continue the basic process of social life. Since the revolutionary class fight against the bourgeoisie and its organs is inseparable from the seizure of the productive apparatus by the workers and its application to production, the same organization that unites the class for its fight also acts as the organization of the new productive process.

It is clear that the organization forms of trade union and political party, inherited from the period of expanding capitalism, are useless here. They developed into instruments in the hands of leaders unable and unwilling to engage in revolutionary fight. Leaders cannot make revolutions: labor leaders abhor a proletarian revolution. For the revolutionary fight the workers need new forms of organization in which they keep the powers of action in their own hands. It is not necessary to try to construct or to imagine these new forms; they can originate only in the practical fight of the workers themselves. They have already originated there; we have only to look into practice to find its beginnings everywhere where the workers are rebelling against the old powers.

In a wildcat strike the workers decide all matters themselves through regular meetings. They choose strike committees as central bodies, but the members of these committees can be recalled and replaced at any moment. If the strike extends over a large number of shops, they achieve unity of action by larger committees consisting of delegates of all the separate shops. Such committees are not bodies to make decisions according to their own opinion, and over the workers; they are simply messengers, communicating the opinions and wishes of the groups they represent, and conversely, bringing to the shopmeetings, for discussion and decision, the opinion and arguments of the other groups. They cannot play the roles of leaders, because they can be momentarily replaced by others. The workers themselves must choose their way, decide their actions; they keep the entire action, with all its difficulties,

its risks, its responsibilities, in their own hands. And when the strike is over the committees disappear.

The only example of a modern industrial working class as the moving force of a political revolution were the Russian revolutions of 1905 and 1917. Here the workers of each factory chose delegates, and the delegates of all the factories together formed the "soviet", the council where the political situation and necessary actions were discussed. Here the opinions of the factories were collected, their desires harmonized, their decisions formulated. But the councils, though a strong directing influence for revolutionary education through action, were not commanding bodies. Sometimes a whole council was arrested and reorganized with new delegates; at times, when the authorities were paralyzed by a general strike, the soviets acted as a local government, and delegates of free professions joined them to represent their field of work. Here we have the organization of the workers in revolutionary action, though of course only imperfectly, groping and trying for new methods. This is possible only when all the workers with all their forces participate in the action, when their very existence is at stake, when they actually take part in the decisions and are entirely devoted to the revolutionary fight.

After the revolution this council organization disappeared. The proletarian centers of big industry were small islands in an ocean of primitive agricultural society where capitalistic development had not yet begun. The task of initiating capitalism fell to the Communist party. Simultaneously, political power centered in its hands and the soviets were reduced to subordinate organs with only nominal powers.

The old forms of organization, the trade union and political party and the new form of councils (soviets), belong to different phases in the development of society and have different functions. The first has to secure the position of the working class among the other classes within capitalism and belongs to the period of expanding capitalism. The latter has to conquer complete dominance for the workers, to destroy capitalism and its class divisions, and belongs to the period of declining capitalism. In a rising and prosperous capitalism council organization is impossible because the workers are entirely occupied in ameliorating their conditions of life, which is possible at that time through trade unions and political action. In a decaying crisis-ridden capitalism these are useless and faith in them can only hamper the increase of self action by the masses. In such times of heavy tension and growing revolt against misery, when strike movements spread over whole countries and strike at the roots of capitalist power, or when following wars or political catastrophes the government authority crumbles and the masses act, the old organizational forms fail against the new forms of self-activity of the masses.

IV.

Spokesmen of socialist or communist parties often admit that, in revolution, organs of self-action by the masses are useful in destroying the old domination; but then they say these have to yield to parliamentary democracy

in order to organize the new society. Let us compare the basic principles of both forms of political organization of society.

Original democracy in small towns and districts was exercised by the assembly of all the citizens. With the big population of modern towns and countries this is impossible. The people can express their will only by choosing delegates to some central body that represents them all. The delegates for parliamentary bodies are free to act, to decide, to vote, to govern after their own opinion; by "honor and conscience" as it is often called in solemn terms.

The council delegates, however, are bound by mandate; they are sent simply to express the opinions of the workers' groups who sent them. They may be called back and replaced at any moment. Thus the workers who gave them the mandate keep the power in their own hands.

On the other hand, members of parliament are chosen for a fixed number of years; only at the polls are the citizens masters — on this one day when they choose their delegates. Once this day has passed, their power has gone and the delegates are independent, free to act for a term of years according to their own "conscience", restricted only by the knowledge that after this period they have to face the voters anew; but then they count on catching their votes in a noisy election campaign, bombing the confused voters with slogans and demagogic phrases. Thus not the voters but the parliamentarians are the real masters who decide politics. And the voters do not even send persons of their own choice as delegates; they are presented to them by the political parties. And then, if we suppose that people could select and send persons of their own choice, these persons would not form the government; in parliamentary democracy the legislative and the executive powers are separated. The real government dominating the people is formed by a bureaucracy of officials so far removed from the people's vote as to be practically independent. That is how it is possible that capitalistic dominance is maintained through general suffrage and parliamentary democracy. This is why in capitalistic countries, where the majority of the people belongs to the working class, this democracy cannot lead to a conquest of political power. For the working class parliamentary democracy is a sham democracy, whereas council representation is real democracy: the direct rule of the workers over their own affairs.

Parliamentary democracy is the political form in which the different important interests in a capitalist society exert their influence upon government. The delegates represent certain classes: farmers, merchants, industrialists, workers; but they do not represent the common will of their voters. Indeed, the voters of a district have no common will; they are an assembly of individuals, capitalists, workers, shopkeepers, by chance living at the same place, having partly opposing interests.

Council delegates, on the other hand, are sent out by a homogeneous group to express its common will. Councils are not only made up of workers, having common class interests; they are a natural group, working together as the personnel of one factory or section of a large plant, and are in close

daily contact with each other, having the same adversary, having to decide their common actions as fellow workers in which they have to act in united fashion; not only on the questions of strike and fight, but also in the new organization of production. Council representation is not founded upon the meaningless grouping of adjacent villages or districts, but upon the natural grouping of workers in the process of production, the real basis of society.

However, councils must not be confused with the so-called corporative representation which is propagated in fascist countries. This is a representation of the different professions or trades (masters and workers combined), considered as fixed constituents of society. This form belongs to a medieval society with fixed classes and guilds, and in its tendency to petrify interest groups it is even worse than parliamentarism, where new groups and new interests, rising up in the development of capitalism soon find their expression in parliament and government.

Council representation is entirely different because it is the representation of a fighting revolutionary class. It represents working class interests only, and prevents capitalist delegates and capitalist interests from participation. It denies the right of existence to the capitalist class in society and tries to eliminate them as capitalists by taking the means of production away from them. When in the progress of revolution the workers must take up the functions of organizing society the same council organization is their instrument. This means that the workers' councils then are the organs of the dictatorship of the proletariat. This dictatorship of the proletariat is not a shrewdly devised voting system artificially excluding capitalists and middle class members from the polls. It is the exercise of power in society by the natural organs of the workers, building up the productive apparatus as the basis of society. In these organs of the workers, consisting of delegates of their various branches in the process of production, there is no place for robbers or exploiters standing outside productive work. Thus the dictatorship of the working class is at the same time the most perfect democracy, the real workers' democracy, excluding the vanishing class of exploiters.

V.

The adherents of the old forms of organization exalt democracy as the only right and just political form, as against dictatorship, an unjust form. Marxism knows nothing of abstract right or justice; it explains the political forms in which mankind expresses its feelings of political right, as consequences of the economic structure of society. By the Marxian theory we can find also the basis of the difference between parliamentary democracy and council organization. As middle class democracy and proletarian democracy they reflect the different character of these two classes and their economic systems.

Middle class democracy is founded upon a society consisting of a large number of independent small producers. They want a government to take care of their common interests: public security and order, protection of commerce, uniform systems of weight and money, administering of law and

justice. All these things are necessary in order that everybody can do his business in his own way. Private business takes the whole attention, forms the life interests of everybody, and those political factors are, thougn necessary, only secondary and demand only a small part of their attention. The chief content of social life, the basis of existence of society, the production of all the goods necessary for life, is divided up into the private business of the separate citizens, hence it is natural that it takes nearly all their time, and that politics, their collective affair, providing only for auxiliary conditions, is a subordinate matter. Only in middle class revolutionary movements do people take to the streets. But in ordinary times politics are left to a small group of specialists, politicians, whose life-work consists just of taking care of these general, political conditions of middle class business.

The same holds true for the workers, as long as they think only of their direct interests. In capitalism they work long hours, all their energy is exhausted in the process of exploitation, and but little mental power and fresh thought is left them. Wage earning is the most immediate necessity of life; their political interests, their common interest in safeguarding their interests as wage earners may be important but are still an accessory. So they leave this part of their interests also to specialists, to their party politicians and their trade union leaders. By voting as citizens or members the workers may give some general directions, just as middle class voters may influence their politicians, but only partially, because their chief attention must remain concentrated upon their own work.

Proletarian democracy, under communism, depends upon just the opposite economic conditions. It is founded not on private but on collective production. Production of the life necessities is no longer a personal business, but a collective affair. The collective affairs, formerly called political affairs, are no longer secondary, but the chief object of thought and action for everybody. What was called politics in former society, a domain for specialists, has become the life interest of every worker. It is not the securing of some necessary conditions of production, it is the process and the regulation of production itself. The separation of private and collective affairs and interests has ceased. A separate group or class of specialists taking care of the collective affairs is no longer necessary. Through their council delegates which link them together the producers themselves are managing their own productive work.

The two forms of organization are not distinguished in that the one is founded upon a traditional and ideological basis, and the other on the material productive basis of society. Both are founded upon the material basis of the system of production; one on the declining system of the past, the other on the growing system of the future. Right now we are in the period of transition, the time of big capitalism and the beginnings of the proletarian revolution. In big capitalism the old system of production has already been destroyed in its foundations; the large class of independent producers has disappeared. The main part of production is collective work of large groups of workers; but the control and ownership have remained in a few private

hands. This contradictory state is maintained by the strong power factors of the capitalists, especially the state power exerted by the governments. The task of the proletarian revolution is to destroy this state power; its real content is the seizure of the means of production by the workers. The process of revolution is, in an alternation of actions and defeats, the building up of the organization of the proletarian dictatorship, which at the same time is the dissolution, step by step, of the capitalist state power. Hence it is the process of the replacement of the organization system of the past by the organization system of the future.

We are only in the beginnings of this revolution. The century of class fight behind us cannot be considered as such a beginning, only as a preamble. It developed invaluable theoretical knowledge, it found gallant revolutionary words in defiance of the capitalist claim of being a final social system; it awakened the workers from the hopelesness of misery. But its actual fight remained bound within the confines of capitalism, it was action through the medium of leaders and sought only to set easy masters in the place of hard ones. Only a sudden flickering of revolt, such as political or mass strikes breaking out against the will of the politicians, now and then announced the future of self-determined mass action. Every wildcat strike, not taking its leaders and catchwords from the offices of parties and unions, is an indication of this development, and at the same time a small step in its direction. All the existing powers in the proletarian movement, the socialist and communist parties, the trade unions, all the leaders whose activity is bound to the middle class democracy of the past, denounce these mass actions as anarchistic disturbances. Because their field of vision is limited to their old forms of organization, they cannot see that the spontaneous actions of the workers bear in them the germs of higher forms of organization. In fascist countries, where the old middle class democracy has been destroyed, such spontaneous mass actions will be the only form of future proletarian revolt. Their tendency will not be a restoration of the former middle class democracy but an advance in the direction of the proletarian democracy, i. e., the dictatorship of the working class.

J. Harper

A "MARXIAN" APPROACH TO THE JEWISH QUESTION

The advocates of Zionism, or Jewish nationalism, like the advocates of all other nationalistic ideologies, approach the workers in many ways. Recently the Poale Zion of America republished some of the writings of Ber Borochov*, who, some 30 years ago, tried to supply the socialistic approach to Zionism.

Borochov sprang from the Jewish intelligentsia of Russia. At the time of his activities Jewish workers in Russia had built an organization, (Bund), which was a Social Democratic trade unionist organization and was anti-Zionistic. It consisted of industrial workers who formed their organization after the pattern of western European trade unionism. They had ceased to concern them-

*) Nationalism and the Class Struggle. A Marxian Approach to the Jewish Problem. By Ber Borochov. Poale Zion-Zeire of America. New York, 205 pp., $1.50.

selves very much with national problems, and were of the opinion, that the socialist revolution also would solve the Jewish question. Borochov, however, thought that "one who has no national dignity can have no class dignity." He tried to prove that Zionism is not only the only solution for the Jewish people, but also the Marxist solution. He observed "the slow transition of the Jewish masses from unproductive to productive occupations," and was convinced that only in Palestine this tendency could come to its fullest realization. He was of the opinion that the Jews could neither wait for the "progress of humanity", nor depend on assimilation, but that their freedom from persecution and discrimination depended primarly upon the national self-help of the Jewish masses. "The national instinct of self-preservation latent in the Socialist working class," he wrote, "is a healthy nationalism." Though, at the outset he conceived that the class interrests of the Jewish workers remained the same as those of other workers, and socialism was the ultimate goal, the immediate need was Zionism, and the class struggle was to realize both.

In the process of production various relations of production arise. But production itself, Borochov argued, is dependent on certain conditions which are different in different places. These "conditions of production", which vary for geographical, anthropological, and historic reasons, form the basis for his idea that for the Jewish workers Zionism and Socialism are identical. The nationalism of oppressed nationalities, he said, is peculiar, and the system of production of oppressed nationalities is always subject to abnormal conditions. "The conditions of production are abnormal when a nation is deprived of its territory and its organs of national preservation. Such abormal conditions tend to harmonize the interests of all members of a nation. This external pressure not only weakens and dissipates the influence of the conditions of production but also hinders the development of the relations of production and the class struggle, because the normal development of the mode of production is hampered. In the course of the struggle for national emancipation, however, the class structure and class psychology manifest themselves." And so he maintained that a "genuine nationalism in no way obscures class consciousness," that the building up of Palestine would rather provide a real basis for the development of the class struggle of the Jews aimed at a socialist society.

In Palestine, which was not at all an empty country or an international hotel as Borochov and his contemporaries tried to believe, the Jews found an Arab feudalistic agricultural society with merchant capital in the towns and ports. The immigrating Jews were artisans of the east European type, merchants of western Europe, and representatives of financiers of London, Wall Street, and South America. And in addition to these there were a newly formed proletariat of students, professionals, and intellectuals who, with great national enthusiasm set out to work under most primitive conditions for the Jewish state.

Into Palestine immigrated labor and capital, but on a small scale. However, the increasingly more "normal" conditions of production did not lead to a development in accordance with the dreams of the left-Zionists. Nationalism did not foster the class struggle, on the contrary, the latter was sacrificed to the needs of the nation. Class consciousness did not increase but tended to disappear, and the "common" interest against the Arabs created an almost ideal harmony. Zionism in practice was only able to tie the Jewish workers to the interests of their exploiters and, furthermore, to the imperialistic schemes of England, which fostered the Jewish aspirations for its own imperialist — strategic needs.

It is true that with the growth of Palestine capitalism the working class also increased. Scarcity of labor brought about in the building and similar trades relatively high wages for some workers.** Other

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**) The weekly wage rates of nine classes of urban workers in October, 1937, adjusted to the cost of living index, leads to the conclusion that the real wages of the Jewish workers in Tel-Aviv were 68

workers established co-operatives which functioned as building contractors and transportation companies. These conditions, however, did not foster the class struggle for socialism, but inbued large numbers of workers with capitalist ideology and led to the development of a labor bureaucracy participating in the exploitation of the workers. The Jewish workers not only found their old exploiters in the holy land, but they added some new ones in exchange for the empty promises of reformism.

Borochov's "contribution to Marxism", i. e., the recognition of the importance of the "conditons of production" for the development of the class struggle, so far has served only capitalistic and imperialistic interests. By pointing to Palestine, the Zionists kept the Jewish workers from participating in the class struggle; in Palestine they now point across the border. The Zionist solution of the Jewish question lies only in combat with the Arabs. Under the conditions of Palestine, Zionism can emerge only in capitalistic garb. The Jews are obliged to be capitalistic in order to be nationalistic, and they have to be nationalistic in order to be Zionists. They are obliged to be not only capitalistic, but capitalistic in an extremely reactionary form. As a minority they cannot be democratic without damage to their own interests; and being land-hungry, they have to fight against agrarian reform, binding themselves with the Arab feudalists against the fellahs. They are not only reactionary themselves, but they lend force to the Arab reaction.

The last twenty years of Zionist practice have sufficiently shown that Jewish nationalism no less than any other nationalism has hampered the development of the class struggle. To keep the Jewish workers' standard of living on a semi-civilized level was possible only at the expense of the Arabian workers. The discrimination against Arab labor practiced by the Jewish trade unions and the Jewish bosses did not create solidarity but nationalistic hatred among the workers. All the well-sounding phrases about solidarity with the Arab workers vanished when they were put to test in the strikes of 1936; instead, the Zionist labor bureaucracy successfully made the Jewish workers defend their bosses' property. The labor bureaucracy and the national peculiarities prevented the unemployed from fighting for relief, because otherwise the British might stop immigration. The scarcity of capital in Palestine agriculture, led to the creation of co-operatives of starving pioneers, the so called "communes" (Kvutsot), it was the merit of Borochovists to name these co-operatives the "socialist sector" of Palestine's economy, and to hail them as "outposts of socialism". But here also the Zionists only hide behind attractive slogans the capitalistic nature and the exploiting character of these institutions.

Zionism can serve only capitalism. Borochov himself, at first only interested in the Zionist movement to foster the class struggle later forgot his original intentions and spoke in favor of class collaboration. No longer did he address the proletariat, but "the entire Jewish population," which should "not yield to the notion that the Jews disappear among nations and alien cultures." Notwithstanding that even an "internationalist" like Leon Trotsky states today "that the Jewish problem must be solved through territorial concentration", nationalism today can be only chauvinistic, can only lead to Jewish fascism which openly advocates struggle against the Arabs. And the nonfascists accept this struggle by maintaining silence or uttering hypocritical phrases. And only the recognition of their weak position hinders them from finding a place among the "aggressor nations," and forces them to play servant to English imperialism. Today there ex-

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per cent of the wages of workers in London, and that the wages of the Arabs were about 10 per cent less than the wages for Jewish workers. However, these nine classes of urban workers, responsible for the above wage index, belong all to the building trade and are not as is often assumed, representative of the wage rates of the working class as a whole. The index, so often proudly demonstrated, is also not true in so far as it excludes in the cost of living the factor of rent, which, owing to the serious housing shortage, is very high in Palestina.

ists a report of a royal commission that recommends the partitioning of Palestine and the creation of an autonomous Jewish state. Whether this proposal will ever be realized, the fact remains that the Jews themselves cannot fulfill the Zionist desires, but are compelled to stay allies to English imperialism.

It is true that the furthering of capitalism in Palestine brought about by Zionism and the sharpening of capitalistic antagonisms are "revolutionizing", but only as the whole of capitalism is revolutionizing; it is of no concern to the working class. The sharpening of capitalist contradictions certainly serves the revolutionary interests of the working class, however, as the proletariat has to make an international revolution, it cannot support nationalistic issues, it can foster neither the Arabs nor the Jews. It has to remain immune to all nationalistic infection and must concentrate on the conflict between capital and labor as determined by the relations of production. There is no national solution for the Jewish workers, as there is no possibility ever to find peace within the other countries. The Jewish question is unsolvable within capitalistic barbarism of today. There is no sense in closing our eyes to reality, difficult as it is, yes, impossible as it is in many instances to prevent the special atrocities against the Jewish population, Palestine is no solution. Capitalism means the prolongation of this barbaric situation. The task of the jewish worker is the task of all workers, to end the international system of capitalistic exploitation.

THE WORKERS' ALLIANCE

The recent convention of the Workers' Alliance (W. A.) held in Cleveland was another painful demonstration of the absence of an unemployed movement in America. Though it is true that the W. A. today is the only unemployed organization of any importance, it is also true that this organization has just as much relation to the jobless as the Salvation Army has to the hobos.

Different capitalistic groups struggle for governmental control. Anything goes in this fight. The anti-New Dealers label everybody a "Red" who supports or sympathizes with the present Administration, though they are quite aware of the nonsense of their charges. The Administration assures itself of the votes of large masses through its liberalistic attitudes and creates for itself willing instruments to carry through a capitalistic policy more in line with permanent depression conditions and new imperialistic expectations. The centralization of economic and political power proceeds by way of struggle. Many capitalist interests are hurt or eliminated in this development and try to check it to save themselves. They denounce the New Deal and all supporting groups including labor organizations as leading to Bolshevism. This in turn forces the New Dealers to continue to rely on the labor movement and to induce this labor movement to demonstrate continiously that it aspires toward a goal diametrically opposite to the true goal of labor. The labor movement becomes a 100% capitalistic American institution. The rift in the camp of the bourgeoisie gives energetic labor leaders new chances to prosper; the booms recently experienced in political and economic groups were reflected in the boom within the W. A.

With the history of the W. A. we have dealt before*. Its fourth national convention only reestablished the fact that this organization is a small, but useful instrument in the hands of the Administration. However, one hand washes the other, or as Selden Rodman proudly described this harmonious situation in the *Nation* of Sept. 10, 1938:

"Give us decent wages and working conditions," says the Workers' Alliance to the W. P. A. (in effect), "and we'll do your lobbying for you; we'll see that Congress appropriates the money and that the states do their part." And from Harry Hopkin's headquarters comes the reply (in effect):: "Go to it, boys!" You will find hardly a man in the huge government agency who hasn't a friendly feeling for the union; not one without respect for its competent leader."

At present the W. A. is scarcely concerned with unemployment and relief. The spending program and the W. P. A. determines her policies.

The convention dealt with the following issues:**

1.) Continuation of the W. P. A.; 3,500,000 jobs during the next year; 2.) Improvements in the W. P. A. to perform more socially necessary work; 3.) Liberalization of the requirements for W. P. A. employment; 4.) Securing from Congress and Administration an increase in W. P. A. wages; 5.) Liberalization of the Social Security Act; 6.) Establishment of a just system of labor relation on the W. P. A.; 7.) The massing of the unemployed together with other progressive forces for the success of the progressive New Deal candidates in the 1938 election. This must be a major activity of our entire organization between this convention and November 7.; 8.) Increase of membership and press circulation. And last, the cementing of relationships with the organized labor movement.

As regards the jobless on direct relief, the Executive Board of the W.A. had no more to offer than the following phrase:

"While opposing absolutely the substitution of the dole for works programs, the W. A. did, nevertheless, push for a substantion appropriation for direct relief in the 1938 Relief Act."

The history of the W. A. can be descibed as the shift from unemployed activity to parliamentary activity, notwithstanding a few samples of direct action in the East. Even these few examples of action were directed to state assemblies and court houses to impress upon the workers the importance of having the right people in the administrative offices. The authorities were grateful for this service, and as early as in 1936, writes Nel Anderson*** of the W. P. A. Administration, the W. A. delegates participating in a hunger-march.

"were no longer repulsed as were earlier job marchers on Washington. Instead, they were permitted to use the luxurious auditorium of the newly completed Department of Labor building. They made speeches, passed resolutions, sent committees to visit representatives of the Administration and Congress, and, having finished their business, went their way... Working from its headquarter in Washington, the Alliance concerns itself with putting pressure on Congress and on all administrative officials who have anything to do with work or relief."

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*See "Organizations of the Unemployed" in Living Marxism No. 4.
**Work. Sept. 24, 1938.
***The Right to Work. Modern Age Books. 1938; p. 115.

Then as now the "major activity of the entire organization" serves election needs, for, says the W. A. Manual of 1936:

"The victories won on the picket line, by everyday struggle of the unemployed, have too often been turned into defeat by crooked politicians and anti-labor legislators. We have learned through sad experience that we must take an active part in the election of public officials, and that we must hold them responsible for acting to our best interests."

For this reason, for example, the W. P. A. division of the W. A. of Greater New York enrolled as part of the American Labor Party, which supported and helped elect such "straight" politicians as Mayor La Guardia and District Attorney Dewey in November 1937. However, the election of "straight" politicians and the keeping of the New Dealers in office has not prevented the increasing misery of the unemployed, has not secured "the victories won on the picket line;" it has only destroyed all kinds of real activity on the part of the workers.

Pay slashes as great as 20 per cent for large numbers of W. P. A. workers throughout the country were reported in the middle of October, 1938. This was accomplished by so-called re-classification of positions. Some occupations were moved from one skill group to a lower one; the work done remained the same, but the wages were cut. Concerning the position of the unemployed on direct relief, the American Association of Social Workers declared in November, 1937, in an open letter to Chicago citizens, that

"human beings are forced to live in quarters unfit for cattle; that less is spent for the meal of many a person on relief than for the meal of a dog in a local animal shelter. Consumption of food in relief families is far below the safe level to maintain health and decency."

A year later, the situation had grown worse; and it was said* that "relief is crumbling under the impact of the recession like a town rocked by a series of earthquakes."

Nevertheless, all that the W. A. has to offer in this situation is the proposal to put the right people into the right offices, although the people who are now cutting wages and reducing direct relief represent the New Deal and have been elected with the help of the W. A. to "secure the victories won on the picket line."

The reasons for the neglect of the unemployed on direct relief and for the hampering of all real unemployed activity through the W. A. are easy to understand. Like any other organization of any size the W. A. is first of all a business enterprise. There is more money in the W. P. A. than in the relief stations. Wages ranging from 40 to 100 dollar monthly are no doubt miserable; however, small animals too provide manure. A hundred thousand half a dollar pieces each month are nothing to be laughed at. Unemployment on direct relief have difficulty in paying dues regularly. It is relatively easy to make W. P. A. workers understand that their favorable positions depend to a large extent on their cash loyality to the W. A. With the adherence to a few "union principles" the W. A. hopes today on many W. P. A. projects to have a voice in the hiring and firing of workers. They have

*The Nation, August 29, 1938.

wormed themselves into administrative positions and use them to their own advantage. With the recognition that the W. P. A. is probably here to stay many labor organizers show a real interest in organizing the unemployed. The A. F. of L. as well as the C. I. O., not to speak of smaller political groupings, plan or attempt at present to launch W. P. A. project workers unions in competition with the W. A.* If it is not more, at least it is good business.

People still respect the written word, the platform phrase, the swivel chair, impressive institutions, they still refuse to believe that before people can think of anything else they first have to eat, that the basis of all programs and philosophies is people with open mouths hoping to be fed. The W. A. is no exception in this respect. It functions exclusively for a group of people determined to make a living in other ways than the stupid uniformity provided for the workers and the corner grocers. This group has recognized that in order to make its way to the front it is not enough to have ambitions, but that there is needed an organization which backs it up in its efforts "to play a part." A college education is not enough to lead to the satisfaction of the needs of the body and the spleens of the brain, one has to be a Hitler in miniature to be respected and acknowledged by the rulers of society. The dues of the workers mean paid officials, organizers, an office staff, a regular press, enthusiastic stenographers, a fuller life for romantic natures and a better suit for engineers with a social, i. e. a bolshevik conscience. 100,000 fifty-cent pieces are a beginning, they create enough idealism for attempts to double this amount by intensive organization work to allow for a 10 per cent increase in the number of officials.

There can be no doubt that the W. A. is really interested in a larger governmental spending program, interested in higher wages for the W. P. A. workers and not disinterested in the betterment of the relief clients. There exists a real identity of interests of the leaders and members of the W. A. The welfare of the one depends on the income of the other. However, there are two ways to satisfy those interests: the way of force and the way of service. The first will only be used by people who have nothing to loose and all to gain. The second is preferred by people who want to make secure positions already gained. By traveling the first road workers cannot escape recognizing that the workers themselves are all important in the struggle, that all depends on their militancy, their solidarity, their initiative. The more they do for themselves the more they learn to disregard the paid mediator, the professional leaders, the enthusiastic stenographer. If they lose or win the fight, their respect for leaders will decrease proportionally to their own experience. However, the road of service is the road preferred by all labor leaders. Wage inceases were always accompanied by greater exploitation. Exceptionally high wages of some workers were always brought about by exceptionally low wages of other workers. The W. A. steps forward by way of destroying the unity of interests on the part of the unemployed, by controlling all activities of the pauperized by organizing part of them, and by

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***We will deal with these trends in a following issue of Living Marxism.**

irritating the rest of the jobless. The W. A. found itself perfectly fitted to the New Deal scheme, it realized that the organization would gain more by collaboration with the Administration than by cumbersome struggles with local relief administrations. The organization became everything, the unemployed themselves were reduced to the role of a claque to increase the importance of sensitive engineers and genial organizers. The organization has something to sell, something which is still of use to the Administration, and as long as the market is good, business will continue. It sells the possible militancy and the desires of the unemployed to the government in order to help the latter to bring its capitalistic plans to realization.

Certainly the W. A. is not only interested in the welfare of its members, it is also interested in its own growth, provided that such a growth does not conflict with the policy of collaboration and with the bureaucratic rule established in the organization. However, a growth of the organization into a real mass force pressing for action will not only end the easy road of class collaboration, it will also endanger the present and future position of the bureaucracy. The latter will see to it that its own organization never takes on proportions which may endanger present policies and the rule over it by the present leadership. It will hold its organization in bonds to stop a real unemployment movement and there-in consists its best service to capitalist society. The owners of the W. A. will rather smash the whole organization than to watch it grow into a force able to put up a real fight for their own interests and so diminish the need for mediators and professional leaders. As long as organizations like the W. A. exist, there is little hope for the organizing of the unemployed masses. The function of this organization is the prevention of organized action on the part of the unemployed masses. That workers nevertheless belong to this organizationn is not to be wondered at, they also belong to churches and other institutions which stop them from acting in their own interest by offering them eventual salvation through the endeavors of others. Actions are transfered into hopes, peace is secured.

Workers have to begin to realize that the realism of the present labor organizations and the W. A., which recognized the present class forces and adopts its policies according to given possibilities, is only realistic in regard to the organizations themselves, and entirely illusionary in regard to the needs of the working class. If it is possible by taking advantage of rifts within the bourgeoisie to better the positions of a minority of the working class and provide jobs for labor leaders, it is impossible to satisfy in such manner the real needs of the workers and the unemployed. The W. A. will never be able to organize the unemployed or to wage a struggle along with the unemployed. It will always hamper any real attempt on the part of the workers to escape their present helpless situation, it will have to be destroyed in new attempts of the working and unemployed masses to free themselves in order to proceed toward independent working class actions.*

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*In a following issue we will offer our own proposals and suggestions for an unemployed activity in the interest of the jobless.

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THE JITTERBUGS

"Their Ecstacy is without content."
T. W. ADORNO.

It seems that the world has gone mad, but its apparent insanity is not more than the great fear of millions of isolated individuals that they will succumb to the ever increasing brutal struggle of all against all. The greater their despair, the more disgusting is their clawing and kicking to save themselves — at the expense of the rest of the world. No one knows any longer what he wants, for he doesn't know how to reach it, and many do not even know what they are doing. Like Professor Maier's neurotic rats driven crazy by insoluable problems, they tremble in convulsions, only to collapse from time to time into a stupor. The solution of their problems seems unattainable because it is so simple. Produce and distribute; there is apparently no real barrier to an organization of social life which would remove the present difficulties of the large majority of mankind. Yet the seemingly perverse refusal to consider rational solutions is the only form of sanity possible in the present societal form. Things stand on their heads; the jitterbugs are really the true exponents of present-day reality. To engage all the musical instruments resulting from thousands of years of technical and cultural progress and to revert to an animal stage is very representative of capitalism's tendency to turn all the wonders of the world to the production of more efficient head-hunters. And do not be fooled by the "renaissance" of Fascism; the "goose-step" also belongs to the jitterbugs, as well as does the "new heroism," the "new nationalism," and the hundred thousands of bolshevik parachute jumpers. It is all in line with the enthusiasm of the jitterbugs, who trample each other to death in their mad rush to a free swing concert. Strike up the band!

HITLER LIED!

So screamed the headlines of "democratic" newspapers. What we wrote in November last year,* "If necessary, Germany will annex the whole of Czechoslovakia," has already taken place. America, France, and Russia protested; all "peace-loving democratic" people protested; others wept; and even Chamberlain raised his voice in utter disappointment. One week after the celebrated declarations that appeasement seemed to succeed, that armaments may be reduced because they were increased in England, France and the U. S. A., we are one step nearer to the world war. Hitler answered this sort of disarmament with the incorporation of Chechoslovakian resources into the German force. The policy of appeasement, i. e., of postponing the war to make it bloodier, more destructive, and more enduring, necessitates rather than excludes the policy of aggression. Germany must advance; other nations must retreat, or go to war. If Germany proves the pacifier, the other nations must advance. There is no other perspective but that of war.

Professor Wilhelm Roepke,** who is anything but a Marxist, has recently*** dealt with the economic possibilities of a semi-state capitalist system like the German, or a complete state-capitalist system like the Russian, and he came to very sad conclusions indeed. He found that a "collectivist economy" is not immune to crises, that rather a crisis under conditions of a "planned" or "steered" capitalist economy must of necessity be more destructive and more frightful than anything yet experienced in so-called laissez-faire capitalism. He discovered that capitalism is either an expanding or declining economy; that it cannot stagnate at any level reached. And he cannot see any possibility for a permanent expansion of capital. Because such capitalistic expansion has come to a stop, state interferences in the economic mechanism have become increasingly necessary, a condition excluding more and more a "return" to the old capitalism of private initiative and eliminating in time and in a similar ever greater measure, the use of artifices like public works and armaments, which have temporarily easened the headlock into which capitalism has slipped. "The collapse of the artificial and forced boom would be by far more dangerous than that of an ordinary boom under free-market conditions," says Professor Roepke. And the crisis as before, remains the only "regulator" of economy. If the crisis is to be avoided, the forced boom cannot be relaxed; to maintain it, consumption must be still further reduced. The cessation of this process at any moment would bring the greatest economic disruption, as the whole economy is coordinated to the forced boom, and becomes more and more dependent on it. To avoid collapse, then, expansion by political means becomes a life necessity for capitalism, and imperialistic activity must dominate the world.

When the bicycle made its first appearance, the Turks called it "the thing that cannot stand." It could maintain balance only when in motion. Capitalism, too, especially in its fascistic form, has some sort of balance only

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*Living Marxism. No. 5, p. 132.

Author of **Crises and Cycles, London 1936.

***Neue Zuericher Zeitung. February 9, 1939.

as long as it moves, which means, expands and accumulates. But the harder Hitler rides the German bicycle, the more he overrides the interests of others. Nothing short of war can stop him. Hitler lied, it is proclaimed today, because after the taking over of the Sudeten region, he had foresworn further European territorial demands. Hitler "lied" because he remained true to those capitalist necessities which dictated the "truth" to Daladier and Chamberlain when they assured Czechoslovakia its independence *after* they had reached their agreement with Hitler at the expense of their ally. The jitterbugs crying today that Hitler is a liar know quite well that lies are the truth of this society, that the more one lies the more honest he is to his own interest.

Which way will Germany turn now? Will it be satisfied with the Danubian area or proceed on the old imperial road towards Baghdad? Will it turn to the Southeast in the direction of Kiev-Baku-Teheran? Will the Rome-Berlin axis remain intact despite German advance in the "natural" hunting grounds of Italy? Will the "democratic powers" retreat further and throw more of "other people's" property to the fascist "blackmailers"? Will the trade war be sharpened in retaliation to the German "grand-scale thievery"? Will the German or the Yankee imperialism triumph south of the Rio Grande? Will the holy alliance against Nazism be formed, and will the Bolsheviks be partners to it? Or will Germany be further appeased, in recognition of the example it set for the whole capitalist world of a destruction of all forms of labor movements on an international scale? It all depends. Despite all secret and open agreements, pacts, alliances, and what not, the present situation does still not allow even an approximation of the possible fronts in the next world war. Capitalist alliances, just like its marriages, lead to Reno. As little as there is true planning of capitalist economy is there any planning of its political activity. As long as there is a chance, not as long as it wants to, Rumania masses troops against the German front and waits for offers from both the fascist and the anti-fascist forces to decide with whom it will cooperate. The impossibility of any real estimation is increased by the continous threat of civil war in a number of countries. Enemies may become friends overnight, friends may turn into enemies in last minute decisions, or even after the actual outbreak of the war. The chaos of production allows for nothing but the chaos of destruction. The bourgeoisie does not know whom it will kill; it knows only that it will kill. In the imperialistic swing contest all jitterbugs dance to the same music, but each in his own way, without knowing whose toes he will step on next. Only after the outbreak of the war will the chaos assume "order." The efficiency characteristic of the single capitalist enterprise then rules the world at large. Life in capitalism becomes simple as soon as it is designated for death.

STALIN AND HITLER

Will Germany fight Russia to get the Ukraine? Was it revived by English diplomacy for this particular purpose? At least Stalin seems to think so, and at the recent bolshevik party congress he pointed out that those people who "want to embroil the Soviet Union in war with Germany," will

be disappointed, as such a war is "without any visible basis." The Nazi anti-Commintern pact, Stalin said further, was a screen behind which to attack not Russia, but vital interests of Britain, France, and America. Notwithstanding declarations to the contrary by both Hitler and Stalin, the possibility of their coming to an agreement is by no means a fantastic conception. Not only does Stalin's speech indicate the tenableness of such a view, but the whole history of German-Russian relations since the Treaty of Rapollo makes it plausible. It was not Russia that disturbed the friendly relations with Nazi-Germany, but Hitler. It must be remembered that many months after Hitler's ascendency to power, the Russian GPU shot down a score of German Communist party members for the sole reason that they had demonstrated before the German Consulate in Moscow for the release of their leader Thaelman. What anti-Nazism existed in Russia and was indulged because for the time being Hitler did not need Stalin's friendship, was accompanied by an anti-Communist policy more ruthless that that existing in Germany. No, there is no ideological reason existing which could render impossible a Hitler-Stalin alliance. Such an alliance can be excluded only by the constellation of the opposing imperialistic forces, but any shift in this constellation may, on the other hand, effect a Russian-German harmony. And if this should be the case, be assured that the jitterbugs of the Communist Parties and their sympathizers will be just as enthusiastic allies of Hitler as they are today proponents of the united front of democratic powers. The "fatherland" must be saved, and they will be certain that Stalin will make use of Hitler rather than Hitler of Stalin. The "Trojan Horse" will then simply have been moved for them into the fascistic camp.

THE PEOPLES' FRONT

The capitalist concentration and centralization process cannot stop on national borders. The more limited competition becomes within the nations, the sharper it becomes in world economy. And the essential method in this struggle is war. War presupposes an efficient war machinery and people ready to go to war. To prepare for external struggles, "peace" must be established at home. The bourgeoisie can no longer guarantee such peace with traditional methods. A new ideology is necessary, which, although it is intended to secure capitalism, is no longer strictly capitalistic. "National-Socialism," the "Coperative State," the "Soviet Union," in countries already fascist, and "People's Front" attempts in countries on the way to fascism, displace the old and discredited concepts based on a more willing acceptance of class relations. The People's Front was practically a substitute for fascism, its success could only mean its improvement till it became an equal to fascism. Under it, the energy of dissatisfied masses was directed into the proper channels; concessions were granted untill the State was strengthened sufficiently to handle the masses once and for all, and now all the gains of the People's Front period in France, which were made by the wave of direct action of the workers in 1936, are lost. The authoritarian regime, which was to be combatted by the People's Front policy, was actually prepared and brought into existence by it. To fight against the Rome-Berlin axis, legalistic

fascistic methods were adopted in an ever greater measure. Today, thanks to the People's Front policy, the French workers are practically in the same position as those of Germany. Not fascist organizations but labor organizations have brought this about. The People's Front policy turns out to be no more than a war instrument leading to the only democracy possible under capitalistic conditions, the democracy of the graveyards.

OFFICIALS MAKE ESCAPE

All countries prepare for war. All existing contradictions are continually sharpened. All economy is directed towards the war, as well as all propaganda. This situation will not change until the workers change it by refusing to see in wars a means for their own salvation, by refusing to look for their own interests in those of their masters'. The great interest the workers display today in the political scenery constructed by their masters is deadly. In reality, whatever alliances will be made or whatever situations arise, is of no concern to the working class. Of concern alone is the fact that any war for any purpose not strictly proletarian means the sacrifice of lives for the benefit of the enemy of the workers. We still remember the cry of horror raised by all "anti-fascists" when Franco's bombers killed women and children in the streets of Madrid. The same people who were so horrified, and who gave thanks for their liberal defender Miaja, did not hesitate a second to send their own bombers under the command of the same Miaja to kill and maim the women and children of Madrid. We still hear the "heroes" of the People's Front in Spain denouncing as cowards anarchist workers who refused to submit at once to the counterrevolutionary policy of the "Communist" controlled Madrid government, and we see them now fleeing the country which they just have sold out, fleeing into safety, into a life of leisure and contemplation. Officials always make their escape. They always have an airplane or two reserved for themselves, proclaiming to the last, that is, till the actual takeoff, "We will rather die than surrender!" For the workers there is always left the firing squad. All wars today are wars against the working class. All propaganda for unity of the people for purpose of war, are directed against the workers. There never was, there never will be, not even temporarily, an identity of interests of workers and leaders, workers and governments, workers and capitalists. But it will take much more disappointment and suffering to make workers realize this. Till then, the jitterbugs will continue to dance toward their own destruction.

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UNION UNITY?

There can be no doubt that Roosevelt is the man for labor. The old watchword of the labor movement, in union there is strength, came into new glory in Roosevelt's recent letters to the champions of labor, John L. Lewis and William Green. "The American people," it read, "sincerely hope that a constructive negotiated peace with honor may come about between the A. F. of L. and the C. I. O." Specifically, "The National Manufacturers Association," it continued, "express now a better understanding of the problems of labor relationships and greater willingness to work with labor in a realistic effort to improve their mutual relations and to better general working conditions."

A further testimony of class harmony is the recent United States Supreme Court decision upholding the firing of 92 workers engaged about a year ago in a sitdown strike in North Chicago, and the sending of some of their leaders to the prison, where they will have ample time to reason out further improvements in capital—labor relations. This trend towards "mutual understanding" comes to light still further in diverse legalistic attempts to discourage workers' strikes with a series of obstacles. We need mention here only the Catlin bill passed by the Wisconsin assembly, which prohibits picketing of industrial plants unless it can be proved that a majority of workers actually wants to go on strike; and the marvelous class peace established by the way of the so-called "Oregon system," which last November established, "the strictest measures for regulation of labor unions in the United States," consisting of measures drastically restricting strike picketing, jurisdictional disputes, and, beside other smaller items, the outlawing of boycotts; the new city ordinance in Flint, Michigan, which forbids intimidation of workers going to and from their places of employment, or assembly in groups without authority of law in public places, streets, and highways.

Though many roads lead to Rome, a main highway is always welcome. Though each village, city, and state may be able to lead successful battles against its striking workers, it may still be necessary to centralize all these efforts in order to increase their effect. Nation-wide organizations must be dealt with by nation-wide measures. The chaotic self-help activity of localities and the state-wide organized groups of employers, cannot sufficiently insure the industrial peace desired today. The centralization of economic and political control in the hands of the Federal government to strengthen the capitalist society during the present period of despair and emergencies incorperates first of all the control over labor.

The unions are still able to serve the needs of industrial peace, but to serve the needs of the government and the capitalist class better, their present disunity has to be brought to an end. The recent militancy of labor was largely the result of the competitive struggle between labor organizations rather than the result of class struggles. As long as the war between the A. F. of L. and C. I. O. goes on, it will be difficult to establish the tight control over labor that is deemed necessary because of the fact that the

depression will not end. There were even strikes and picket lines for the sole purpose of collecting union dues. There were battles and workers killed in jurisdictional disputes quite independent of all labor-employer relations. There was continuous unrest in society because of the many signs that the workers quite often could not be tamed by labor leaders, and there is widespread suspicion that profitability of enterprise will altogether come to an end if recent labor policies will be continued.

There are no signs of recovery. The capitalists press for reduction of labor costs, and they must be appeased in the face of the continuous need of higher and still higher budgets to cope with newly arising internal and external problems. A unified labor movement at the disposal of the government might not only help the present Administration in the coming presidential campaign, but might be a still greater help in securing industrial peace, despite the coming attacks upon the workers' standard of living. There were 477 sit-down strikes in 1937, involving 398,177 workers. A repetition of 1937 has to be avoided; and the best means to this end is a unified labor movement of the type which Mr. Martin before the Association of Detroit Business Men recently described in the following manner:*

"If we have been slow in educating our membership to the responsibilities which go with union membership, the blame for much of this slowness must be directly attributed to the fact that we had to devote so much of our resources, and so much of our efforts in the struggle to merely exist in the face of strong opposition. ...As a penalty for their efforts to hinder and obstruct the organization of workers many employers have had to put up with annoying outbreaks of spontaneous strikes of their employees and have been faced with the task of dealing with hotheaded or untrained union committeemen and minor officials... I wish to call to your attention that the number of authorized strikes in the automobile industry has been greatly reduced in the last several months until now they occur only in exceptional cases."

Such unions and their unity, with the right political attitude, are the best security for the capitalist society at this stage of development. And Mr. Martin actually spoke the truth when he said,**

"It seems to me that the only thing which American citizens need to fear is the unintelligent and unorganized participations of labor in political affairs, or the failure of labor to participate at all in politics."

Roosevelt has seen the sign of the time, and what the whole working class could not achieve, that is, the coming together of Lewis and Green to discuss peace, supposedly of such great interest to labor, was made possible by one gesture of the great Executive. But this very fact illustrates sufficiently that that unity of labor possible today is not an unity serving labor needs. This government established unity will, if anything, only serve the capitalist government. If the capitalists themselves don't establish such a unity in their own interest, it will not come about. Unions will split and unite and split again. Unions are forms of income and forms of control over the workers, and the owners of labor unions compete with each other even more sharply than do the capitalists. The real unity of labor can be established only against their

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*United Automobile Worker, December 17, 1938, p. 5.
**Ibid.

organizations, against the governments, against capitalist society. How far away we are from such real unity may be seen if only by the fact that the very workers which Martin wants to train to become "respectable union men", no longer following "hotheads" and "minor officials" but Martin, and Martin alone, climaxed their recent revival meeting, or convention, in Detroit with gifts demonstrating their genuine affection for several of the union leaders. Before the members of a Ford local from Kansas City had concluded their presentation of a radio to Martin the other day, tears were streaming from the eyes of several as they stood on the convention platfom. Really, there are reasons to cry.

THE CONCENTRATION CAMP GROWS

The last session of the executive board of the Socialist International dealt with the "struggle for democracy." What was remarkable about these discussions, one reporter remarked, "was the consistency with which the socialist parties in the still democratic countries remained true to their traditional ways of thinking. For them, now as before, socialism progresses step by step, legally, democratically; otherwise socialism will never come."* One of the delegates was annoyed enough to ask "if the executive has ever tried to imagine what goes on in the brain of a man in a fascist concentration camp?" Another labor leader answered that "it is quite understandable that people living under fascism develop extreme political opinions," — for which they might then be excused.

Extreme political opinions are all right as long as they are not applied. They are fully in order as long as they remain mere opinions, dreams of a faraway future in which nobody really believes. And they are all right also for workers in concentration camps, and even perfect for those facing firing squads. Otherwise, however, they are considered entirely unrealistic, for the leaders of labor are convinced that there will be no socialism unless instituted by the bourgeoisie itself. It is different, then, when the bourgeoisie employs extreme political measures; force is applauded as soon as it is "legal." The most extreme political opinions become the norm if only they serve the needs of the ruling class.

In Spain, in the July days of 1936, in Catalonia and other regions, the "extreme political opinions" of workers stopped the fascist rebellion and established the basis for a real proletarian struggle against capitalism. This basis was soon destroyed, to the satisfaction of all the "moderate" and "sensible" people and with the help of those who relegate extreme political opinions into the concentration camps. With the disappearance of all extreme measures in the workers' struggle, it became only a question of time till one or the other dictatorship *over* the workers would be installed, and merely a question of imperialistic rivalries as to under which flag and specific method the dictatorship would be exercised. Spain was not lost for the workers when

*Der Sozialistische Kampf. Paris, January 28, 1939. p. 35.

Franco's soldiers drove the Loyalist army over the French border; it was lost at the time the initiative of the fight against fascism had shifted from the hands of the more or less spontaneously acting workers exclusively into those of their leaders, and from them into the hands of the government.

II.

Marxism is sometimes called a theory of defeat. It excells all other approaches to history in that it is always able to explain why the one or the other defeat simply had to happen. It is ready to cite economic, political, and ideological reasons for all occurring failures, and is always inclined to remove the sting of the defeat with the assurance that the course of history will finally bring the success so often necessarily denied. For us, however, Marxism is neither a theory of defeat nor of success. It is a theory of the class struggle in capitalist society, and predicts success to the strongest class. It is true that in recognizing the growing importance of the proletarian class in society and the increasing difficulties of the bourgeoisie, there is no other prediction possible than that which maintains that the sharpening class antagonism under permanent crisis conditions will eventually enforce a change of society through proletarian action. Aside from this unavoidable prediction, however, it must be said that for the present class struggles, this hopeful perspective means as little as the statement that society is subject to change. The recognition of developmental trends is no weapon for defeating an actual enemy. Each struggle that arises has to be judged on its o w n merits. Any decision for action and evaluation of forces must base itself on immediate realities.

This is itself difficult enough. The weakness and strength of classes are of relative importance. They come to light in manifold shiftings of situations and relations, escaping again and again correct measurement. Situations in which a "weak proletariat" overthrows a "strong bourgeoisie", may arise just as easily as situations in which a "strong proletariat" falls victim to a "weak bourgeoisie." The historical trend gives no answer to the needs of a specific situation. The latter is determined rather by a multitude of interacting and counteracting forces within the world scene, which no one can really comprehend sufficiently to base his actions on a "correct theory." The whole of the existing socio-economic relations precludes a really planned revolution as well as it precludes a planned economy or any other kind of planning of social life in capitalism. The theorist has to be satisfied with approximations. The revolutionist has to take risks. The proof of the force of the revolution rests in the revolution itself.

Only spontaneous reactions to changed situations bring about real class movements. In such situations, each class can act correctly only insofar as it acts in accordance with its specific needs. The bourgeoisie cannot act for the workers, nor the latter for the bourgeoisie, unless it sacrifices it's own class interests. The Spanish workers were defeated the moment when, considering more than their own class needs, they did not hinder the transformation of the anti-capitalist into the anti-fascist struggle.

III.

There are, and there will be, brought forward a number of reasons why the Loyalists were defeated. The "Marxists" will have the "best" explanations. They will point to the general backwardness of Spain, which excluded from the beginning a success of the revolutionary forces — as if Spain was not a part of the world but situated on another planet. They will point out the "betrayals" of the "democratic nations" which, against their "better interests," sacrificed Spain as they had before sacrificed Czechoslovakia and Ethiopia — as if these countries could have "principles" to which they could be true or untrue. They will say that "non-intervention" was not "non-intervention" but action against the Loyalists — as if the bourgeoisie has not always spoken of "order" when it defended disorder, of peace when it prepared for war, of non-intervention the more it intervened. Or they will blame the Anarchists, and they, in turn, the "Communists," and both will be blamed by the Trotskyites, who will score new triumphs from this new evidence that no revolution can succeed without a "real" Leninist party and a "real" International.

However, all these arguments will be brought forward not so much as explanations of the defeat, but rather as excuses for inactivity, or as attempts to screen counter-revolutionary activities, or simply as business tricks to cash in on the defeat of the Spanish workers. In this connection it must be noted that until the actual defeat, all supporters of the Loyalist cause could see nothing but the inevitability of the Republican victory. The more the workers were driven back by their own anti-fascist government, the nearer seemed to be Franco's end. But now that the Loyalists are finished, these same people, forgetting all their previous predictions, are just as ready to explain down to the last detail why Franco won. Like the sellers of any other commodity, the salesmen for the Loyalist cause had to guarantee their ware as safe, secure, and everlasting, till it rotted away under their fingers. This business gone, they will now turn again from the selling of actual goods to the selling of mere recipes for the next political stew. In accordance with the formula "maybe I'll wake up dead tomorrow,"* the cookbooks of the diverse People's Front parties, the anarchists included, will be able only to prescribe a warming up of what has already decayed.

We are very little interested in proving once more that Marxists know best what hits them. We were not very much excited over the Loyalist cause as such, over embargo questions, non-intervention, betrayals of "democratic nations," or desertions of labor organizations and leaders. All these conditions were to be expected and they did not even surprise those apparently innocent people who imagined the ruling classes of democratic countries to be interested in the "anti-fascist" struggle in Spain. With their empty chatter as to the wonders of bolshevik discipline, the geniality of Caballero, and the passions of the Pasionaria, the "modern liberals" merely covered up their real desire for the destruction of all revolutionary possibilities latent in the Civil War and their preparation for the possible war over the Spanish issue in the interest of

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*M. Fraenkel in "The Phoenix". Vol. I, No. 2, p. 102.

their diverse fatherlands. Their slogans, policies, predictions, demands, however different in sound, were of the same character and functioned in the same way as the non-intervention phrase of the bourgeoisie proper.

IV.

Of interest to us are precisely those aspects of the Spanish Civil War which have no interest at all for anti-fascist organizations. As in all previous uprisings of workers and pauperized peasants, the outstanding fact was that the masses of Spain were more radical, more "left", more extreme, than their leaders and the organizations controlled by them. Not that they operated against their organizations, not that they saw a barrier between themselves and their organizations, but the change of policy which came about as soon as the uprising turned into the order of the new regime, shows sufficiently that there was a wider gap between the acting masses and their organizations than the workers were as yet able to realize. The mass actions in the summer and fall of 1936, in which organized and unorganized workers participated, were neither instigated, nor directed, nor extended, by the official leadership of the various organizations, the anarchist trade unions included, but by the workers themselves and by the force of circumstance to which the workers bidden or unbidden reacted. Their activities in the economic sphere are described at another place in this issue.* Here we will state only that what was truly revolutionary in the Spanish Civil War resulted from the direct actions of the workers and pauperized peasants, and not because of a specific form of labor organization nor an especially gifted leadership. It must be said, however, that the greater freedom within the l e s s centralized anarcho-syndicalist unions was reflected in a greater self-initiative of anarcho-syndicalist workers. The revolutionary results of the spontaneous actions of the Spanish workers in the July days disappeared with the change from self-initiative and self-action of the workers to organization decrees, party decisions, and governmental rule, and the whole machinery set up anew to control the masses.

Just as in Russia the Bolsheviks were only belatedly and reluctantly ready to recognize the accomplished expropriation of the means of production by the workers through the "nationalization" of industry, so in Spain, or to be specific, in Catalonia, the Generalitat—the Government — published the Decree of Collectivization in October, 1936,** after the collectivization had already been carried out. "The decree, which apparently answered the needs of the Catalan workers, and which was received with great joy by the majority of them, was in reality a filching of socialization."*** It not only restricted collectivization; the workers ceased to be real masters of the means of production through a clever organizational arrangement which made the Ministry of Economy the real ruler. Private commerce, furthermore, was

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*Collectivization in Spain. (Certain statements in this article, however, are not shared by the Groups of Council Communists.)

**Compare Council Correspondence. Vol. II. No. 11; Vol. III, No. 3, and Vol. III, No. 5.

***Gaston Leval, Social Reconstruction in Spain. London 1938, p. 7.

retained in its entirety. The unions were not directing production, but hoped to do so eventually. Even if they would have succeeded, not the workers but the union bureaucracy, on the basis of their conceptions of socialization, would have controlled production, and, with that, distribution. "We have not made the Revolution in C a t a l u n a yet," wrote the anarchist Santillan.*

"The traditional program of the CNT is certainly not that which has been put in practice since July 19th... The new State of Catalonia is neither better nor more tolerable than the old one. It is worse. And it is worse because the bureaucratic parasitism is greater. The bureaucracy threatens to devour the revolution and to this danger we contribute along with all the anti-fascist parties in a considerable degree."

Legal collectivization was the end of real collectivization. In February, 1938, the *New York Times* could write happily:

"The principle of State intervention and control of business and industry, as against workers' control of them in the guise of collectivization, is gradually being established in Loyalist Spain by a series of decrees now appearing. Coincidentally there is to be established the principle of private ownership and the rights of corporations and companies to what is lawfully theirs under the Constitution."

V.

It is often thought that the anarchists had to retreat before the governmental forces, and cooperate with them, because they failed to establish their own political power instruments. It is assumed that the anarchists did not pay sufficient attention to the political needs of the revolution, because they were convinced that whoever controls industry also controls society, and that the real power was already transferred to the workers and their syndicates, and that, under such conditions, even the participation in the government was no break with anarchist principles, as this political government had already been reduced to a mere extension of the economic government. However, the truth of the matter is that in the beginning, the anarchists had both political and economic power, the former being expressed in the armed workers and the temporary disappearance of the official government. They did not choose between the one or the other set of powers, but sacrificed both in the interest of anti-fascist harmony. They accepted the collectivization decree as well as the order to disarm the workers' militias, for they actually preferred the mere anti-fascist to a decisive struggle against capitalism. The CNT entered the government precisely at that moment when the curtailment of workers' power began, and helped to prepare the ground on which it later was to slide down itself to become a mere servant to the strictly capitalistic government. The latter controlled all spheres of the social and economic life through the "civil guards, the assault guards, and all the other forces of repression which it especially organized. And the workers had lost their battle."**

There existed for the anarchist organizations two possibilities: They could either drive the anti-capitalist struggle forward, or subordinate them-

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*D. A. Santillan, After the Revolution. New York 1937; pp. 121/125.

**Leval, Social Reconstruction in Spain, p. 9.

selves under the anti-fascist capitalistic government and its limited objectives. That this government was out to safeguard capitalism, the anarchists knew, that to support this government could only mean that the CNT, too, had to help to coordinate the masses to those limited goals, they also knew. To drive the anti-capitalist struggle forward meant to set the anarchist workers and their followers against the whole of the capitalist world. If the international proletariat would not come to their help, there seemed only the certainty that they would have been crushed by the overwhelming strength of the external and internal counter-revolution. The same result would have happened if the workers, independent of their organizations, would have expanded the power gained during the first weeks of the revolution. Not only to save themselves, but to save also the revolutionary workers from certain defeat, the anarchist organizations felt it necessary to hamper the continuation of the revolution, and to seek a compromise with the counter-revolutionary anti-fascist forces. The simple consideration that one enemy is better than two explains the action of the anarchists, and it is here of no real importance to note that this consideration harmonized also with the specific organizational interests and aspirations of ambitious leaders. They were reasonably convinced that a Spanish revolution would not arouse the international working class to solidarity action, and thus, aside from all other considerations connected with the diverse "vested interests" which bound large labor organizations to capitalist society, they were willing to accept a compromise solution. Their class collaboration policy could lead to nothing but the immediate defeat of the workers' interests in this revolution and the gearing of those workers to struggles determined by interests foreign to them.

It is argued in defense of the anarchist tactics that after all they enabled the anti-fascist struggle to proceed two years longer than would have been the case if a struggle for all or nothing would have been carried on. "Whatever one's opinion of the tactics of the Spanish struggle might be," writes *Senex* in the February (1939) issue of *Vanguard,*

> "there can be no dispute about tht overwhelming historic significance of this struggle. It acted as a formidable breakwater to the sweeping fascist wave. That it continued acting in this capacity for more than two years was due in no small measure to the realistic policy pursued by the revolutionary forces affording them some chances of survival as, against the certainty of a total annihilation facing them two years ago."

This argument may as well be turned around, and it may be said with the same assurance that if two years of anti-fascist struggle were without avail, nothing will prevent fascism from coming to power. Two years of hopeless struggle may impress and depress workers equally; the result is what really counts at present. And as regards the "certainty of total annihilation facing them two years ago," the present Franco victory will neglect this phase of the matter least of all, and we need not speak of the hundreds of thousands of workers killed and wounded during the preceding years, butchered by fascists and anti-fascists alike.

VI.

The discussions as to the "wrong" or "right" tactics of *the anarchists* are quite beside the point. The CNT contained reformist, opportunist, compromising elements as well as consistent proletarian revolutionists. In Catalonia they represented a revolutionary force, which nevertheless, could act as such only under conditions favoring consistent revolutionary actions. With the change of those conditions the conformist elements within the CNT began to dominate the organizations, still further hampering the exertion of revolutionary energies. The radical elements within the CNT were defeated by their own organization as well as by the general developmental trend. There were not "wrong" or "right" anarchist tactics; there were two different tactics, and the radical tendency was defeated because it was defended by a small minority under extremely unfavorable conditions. Their revolutionary phraseology could serve only to cover up the non-revolutionary practice of the organization as a whole. Even the revolutionists had to serve the counter-revolution.

After the first successful attacks upon the fascist counter-revolution, new decisions had to be made. Fascism could not be crushed with a few bold strokes. The future held war, and the necessities of this war began to determine all actions. Germany and Italy intervened in their own and Franco's interests. England, France, and Russia were unwilling to apply the same methods of intervention, for to send French against Italian troops meant to come too close to a war which they did not want just yet. Their intervention had the twofold task of destroying all revolutionary potentialities of the Civil War, and of preventing the subjugation of Spain under the complete dominance of the Rome-Berlin axis. Russia was selected as best fitted to perform the actual destruction of the revolutionary forces latent in the Civil War, and to change the character of the war to a diplomatic game enforced by blood and fire. Weapons and illusion were imported into Spain, weapons to exclude a speedy victory of Franco and Illusions as to the character of the expected help from the "democratic countries," an attitude which helped to turn mass opinion against consistent revolutionary policies. Under the pressure of the fascist armies, it seemed necessary, in order to avoid defeat, to rely upon help from countries opposed to Italian-German imperialism. The foreign invasion, furthermore, gave the anti-fascist struggle an outspoken nationalistic turn. The non-revolutionary elements in the Loyalist camp were made more enthusiastic by the slogan "Spain for the Spaniards,' than by anti-capitalistic propositions. All but questions of war were postponed. All but the war parties lost immediately in influence. The organizations concerned exclusively with the defeat of Franco and seemingly able to attract outside help became the dominating organizations. The postponement of the social revolution considerably reduced the influence of the revolutionists upon the masses. What they said did not matter, and what they did was exactly what everybody else had to do. Russian tanks, airplanes, foodships, were realities which were more emphatic than all the revolutionary principles.

The same gold that bought "help" from Russia also bought arms from the German enemy. This, however, was brought to light by Negrin only after the defeat of his government. It shows, nevertheless, that the "help" rendered by Russia had no other motive than had the German intervention. Russia sold weapons in order to strengthen the position of her French ally by attempting to hamper the German advance in Spain, and Germany sold weapons to the same side in order to impress upon Franco the need for German and Italian help to gain his objectives. The struggle in Spain was prolonged and extended and hampered because of the rivalries between the various countries involved. In this process, however, the imperialistic features of this war became the clearer the more the revolutionary aspects disappeared, and it was only a question of time when the support of the Loyalist could mean nothing but the obvious support of one imperialistic camp against another.

If Franco must be defeated, so must the revolution. This attitude explains the intervention of the "democratic" powers. A speedy victory of the Loyalists could very well mean the releasing of the revolutionary energies latent in the Civil War situation, especially in view of the restless workers in France. However, if it were possible to win Franco for the English-French interests, his victory would be desired, for he would be better able to establish that "order" in society which best secures the continuation of capitalism. Difficulties in Franco's way may force him to reconsider his alliances; the need for capital at any rate may draw him into the English camp. Never were the "anti-fascist" powers anti-fascist, their struggle was directed against a Spanish fascism not friendly to British interests. The Loyalists were supported by the "democratic" powers just as far as was necessary to impress upon Franco the need to consider England and France and just as far as was necessary to give the capitalistic elements on the Loyalist side dominance in the Civil War.

The defeat of the Loyalists and, with that, the success of fascism corresponded to the external and internal needs of Italy and Germany. The reasons for their intervention were always clear. However, a speedy victory of Franco would increase his independence, and the danger that he might, though a fascist to the core, come to terms with the "democratic" countries in his own interest, caused the fascist countries to send just as many troops and ammunitions as were necessary only to maintain him, so that he might always realize that his success depended on the continued support of the Rome-Berlin axis. The whole mystery which surrounded the Civil War was due to the fact that here was a war fought between imperialistic nations which had at this time no desire to enter upon a general world conflict. It was a war which, furthermore, was crossed with social upheavals within the country that provided the battle ground for the imperialistic rivalries, and in which not even the interests of the allies in each camp were properly coordinated, for England acted against French interests and Germany against Italian interests. Under cover of "non-intervention", this manifold struggle of diverse forces could best proceed. Thus the play of the next world war was rehearsed on the model stage of Spain.

The verdict of Munich broke the Franco-Russian alliance. France retreated before advancing Germany. Munich decided the Spanish struggle in the interest of General Franco. The Loyalists collapsed as soon as England and France were ready to accept Franco in the conviction that he is now able and more eager than ever to come to terms with France and England. The actual strength of the Rome-Berlin axis and that of England and France will determine whom Franco will serve, and whom he has to serve. The open intervention of England in the Minorca affair, the sending of more and still more French troops to Africa, indicate clearly enough that the imperialistic contest for Spain has only entered another stage, this time cleared of all secondary aspects and open to decisive consequences of the diverse imperialistic needs. The open imperialistic struggle follows the hidden imperialistic struggle, and only the power realities of the near future will show who won the first round in this world conflict.

VII.

The forces of the coming world war are maturing. The time is already here when the "democratic countries" can allow themselves to drop all considerations regarding the working class. The war ideology is here, and is just as forceful as in the fascist countries. The internal English policy during the Czechoslovakian crisis, the weakening of the revolutionary forces in France through the People's Front policies, have successfully created a situation which Sir Stafford Cripps in his recent Memorandum to the Labor Party of England has described as follows:

"A great volume of anti-Government feeling has grown up all over the country. This state of indeterminate opposition is liable to be swung over to the support of the Government by some international event, by a change of Chamberlain's foreign policy or by an appeal to national unity if the crisis deepens. It is not at all unlikely that within the next few weeks Chamberlain will announce a reversal of his foreign policy upon the basis that he has tried appeasement and it has failed and that he must call on the nation to unite behind him to fight fascism in what will be a purely imperialistic war. When that moment comes, if public opinion is allowed to remain in its uncrystalized state, it will swing behind him, with results as disastrous as those of 1914-1918."

The apparently non-nationalistic defense policies of the French and English ruling classes have created sufficient oppositional nationalistic "feelings" in the workers organizations and the "public at large," that at any time now a war may be risked without any serious interferences of the working class. The success of the counter-revolution in Spain will strengthen the reactionary tendencies all over the world, in fascists as well as "democratic" countries.

VIII.

In speaking of Spanish labor organizations we have restricted ourselves to dealing with the anarcho-syndicalists, because their organizations were the only ones which had revolutionary possibilities and contained large elements with outspoken proletarian intentions. The POUM could work only in the shade of the CNT. It fell victim to its competitor, the Stalinist party, as soon as the CNT had lost its power to the capitalist government. The "proletarian" character of the POUM, furthermore, was of the same sort as that of the Bolshevik Party struggling for power twenty years ago. They aspired

to some sort of state capitalism and party dictatorship whose meaning to the workers was clearly enough demonstrated in Russia. Their actual policies were as opportunistic as that of any other political group craving for a share in the control of society and for eventual dominance over it. We only have to mention here that for the POUM, the Generalitat ceased to be a capitalistic government when it made a member of the POUM minister of justice, and that it was denounced again as capitalistic as soon as this member was thrown overboard. Of the Socialists and "Communists" we need not speak. They could not "betray" the Spanish workers, for it has become more and more obvious in the last two decades that these organizations are able and willing only to act as capitalistic instruments. Both in theory and practice they have day by day during the Spanish Civil War run true to form; both "Internationals of Labor" would just as well see Franco win than see a proletarian revolution; both were from the beginning and without restraint engaged in destroying the revolutionary germs within the Civil War. All their considerations were based on strictly capitalistic needs. In February, 1939, the International Federation of Trade Unions and the Socialist International adopted a joint resolution on the Spanish situation. The resolution stated* that the International,

"realizing the gravity of the events now taking place in Spain, and the imminent prospect of a renewed diplomatic offensive by the Governments of Hitler and Mussolini, insists on the grave dangers which would follow **for France, Great Britain and the other democratic and peaceloving nations** if Catalonia were conquered by the foreign invaders."

The workers of Spain were not even considered. But even these declarations were only ordinary swindle. The many anti-fascist declarations of international congresses were not even carried back into those countries in which the organizations affiliated to the International of Trade Unions have great influence. The Government of Norway, composed of social democrats, decided to establish commercial relations with Franco. The same holds true for Sweden, Finland, Denmark. In Belgium the former minister-president Spaak, backed up by the socialist leaders, recognized Franco. None of the social democratic parties of these countries or the organizations affiliated to the Trade Union International have pronounced a word of objection to this social democratic government policy. The Spanish workers had not only the whole of the international bourgeoisie directed against them but also the whole of the official labor movement. The fact that the workers of the world have not as yet turned against the people who relegate extreme political opinions into the concentration camp explains their recent defeat in Spain as well as the still existing strength of capitalism. In Spain was once more demonstrated that the revolution must be international, since the counterrevolution is international; that a unity of organizations for limited capitalistic purposes cannot expand the revolutionary forces of the working class; that what is necessary is a class front of the workers entirely free from capitalistic objectives and alliances; and that only the bitter ideology of the concentration camp is able to free the workers from the vast concentration camp that the world under capitalism is becoming.

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*Bulletin of the International Federation of Trade Unions. No. 5.

COLLECTIVIZATION IN SPAIN

In a previous issue* we have endeavored to refute one of the main fallacies that conceal from the international working class the particular importance of that new phase of the Spanish revolution which was inaugurated by the events of July 19, 1936. In spite of the rapidly increasing amount of literature on Spain today there is not available up to now any full report of what from our point of view we would call the real contents of the present struggles in revolutionary Spain. Of course, one would not expect such information on the really interesting facts from those progressively-minded people who even today go on to interpret the intensified class struggles, wars, and civil wars of contemporary history as so many expressions of an ideological struggle between a fascist and a democratic "principle". Yet the actual content of that so-called spiritual struggle is not revealed any better by those apparently objective and realistic historians who dismiss the civil war aspects of the present developments in Spain (not to speak of the less conspicuous conflicts between the various groups of the loyalist popular front) as a very subordinate phase of that battle between various imperialistic groups that according to them constitutes the essence of all present-day political developments on a world-wide scale. As against both the "idealistic" and the "realistic" superficiality of the bourgeois historians, the proletarian reader is referred once more to the illuminating report of the first seven months of so-called collectivization in revolutionary Spain published by the Spanish workers themselves for the express purpose to break the conspiracy of silence and distortion by which of all the aspects of the recent events in Spain just this one truly revolutionary aspect has been almost entirely annihilated.**

For the first time since the post-war revolutionary period led to various experiments in socialization in Soviet Russia, Hungary, and Germany the struggle of the Spanish workers against capitalism as described here shows us a new type of transition from capitalist to communal methods of production that has been achieved, though incompletely, in an imposing variety of forms. The significance of this revolutionary experience is not impaired even though all of these advances toward a new, free, communal economy were in the meantime nullified and destroyed. The revolutionary achievements of the workers were frustrated either from without by the advancing counter-revolution, or from the inside by their apparent allies within the antifascist front. The workers were forced into abandoning the fruits of their struggle either by open suppression or, more often, under pretext of the "higher necessity" of disciplined warfare. To a large extent the revolutionary achievements of the first hour were even sacrificed voluntarily by their very initiators in a vain attempt to further thereby the main aim of the common struggle against fascism.

Even so, the endeavors of the Spanish workers on the social and economic front have not been entirely in vain. The violent liquidation of the Paris Commune of 1871 and, an epoch later, of the Hungarian and Bavarian Soviet revolutions, as well as the slower, less obvious self-liquidation of the first revolutionary content of Russian Soviet socialism have not annihilated the significance of any of those great attempts of the past to establish and test a new type of state for the transition to socialism. Similarly the ultimate destruction of the here described collectivization measures by friend and foe in from the historial importance of the present-day Spain detracts nothing

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*See Living Marxism, Vol. IV, No. 3, May 1939, pp. 76-82.

**See Collectivizations. L'oeuvre constructive de la Revolution Espagnole. Receuil de documents. Editions C. N. T. — F. A. I., 1937, 244 pages.

new, free type of communal production attempted here for the first time on a larger scale. The study of this movement, its conceptions and methods, its successes and failures, and the consequent recognition of its strength and weakness is therefore of lasting importance to that class conscious and revolutionary section of the international proletariat to whom the book is expressly addressed and to whom it gives a careful account of this effort at self-emancipation begun by the Spanish working class. Moreover, this careful account of the methods and results of collectivization in the industrially most advanced province of Spain, authorized by the leading labor organizations of Catalonia (the syndicalist C. N. T. and the anarchist F. A. I.), is of general theoretical importance as a historical source book of the first rank. The editors endeavor, as far as possible to let **"the Spanish revolutionists speak for themselves."** Besides a number of short sketches necessary to complete the picture, the collection offered by them contains original documents, decrees of expropriation, reports of the syndicates (unions), resolutions, statutes, etc., and reports, interviews and accounts on the various industries and localities by the functionaries of the revolutionary movement. This character of a pure source book is followed consistently in style and material and thus a work has resulted which is intensely human while meeting the most rigid requirements of scientific objectivity. These simple reports and narratives of the common folk in city and village, never dry or boresome, in their pathos unblurred by pretentious retouching reproduce the voice of the Spanish revolution, the action of the proletariat, as it is and together with the documentary material lend authenticity and veracity to the work. It is almost superfluous for the authors to declare at the end that "in this book will be found neither praise nor slander, neither exaggerations nor protestations." "We have simply allowed the Spanish worker to tell the whole world what he has done to maintain and defend his freedom and welfare."

Of the four parts of the book the first deals with the general character of the "new collective economy" and, in an annexed short review of "Catalonian Economy", explains the commanding position of Barcelona in the Spanish economy as a whole and the ensuing decisive role of the industrial workers of Catalonia in the social struggles of the Spanish working class. In the second part the methods and results of collective labor in the different branches of industry are presented. The third and fourth parts give a description, by geographical districts, cities and villages, of the rise and operation of a more or less completed communal economy.

In contrast to various other "socialization decrees" of recent European history the collectivization decree of the Catalonian Economic Council of October 10, 1936, reprinted in full on pages 32-42, is but the legalization of changes in industry and transport that had already been accomplished in fact. "It contains no special directions that transcend the limits already set by the spontaneous movement of the workers." There were no lengthy investigations on the "tasks and limits of collectivizations," no arbitrarily selected body of learned experts, lacking all real authority such as the notorious "Permanent Special Commision" of the French February revolution of 1848, or its faithful copy, the German "Socialization Commission" of 1918-19. The syndicalist and anarchist labor movement of Spain, well prepared for this task by many years of incessant discussion carried into the remotest corners of the country, were better informed and possessed a much more realistic conception of the necessary steps to achieve their economic aims than had been shown, in similar situations, by the so-called "Marxist" labor movement in other parts of Europe. It is true that in this first heroic phase the Spanish movement to a certain extent, neglected the political and juridical safeguarding of the new economic and social conditions it had achieved. Even this initial mistake, which could be only partially remedied later, was difficult to avoid under the condi-

tions. Except for the "Committes of Anti-Fascist Militias" formed by representatives of the libertarian labor movement themselves there was at that early time neither an executive authority nor a parliament.* Nor were there any large capitalist proprietors to be expropriated. A considerable portion of the largest enterprises were owned by foreign capital. Its representatives, like the native large capitalists, had been more or less open supporters of the rebelling generals. Both groups fled as soon as the Franco rebellion in Barcelona had failed unless they had anticipated that possibility and, like Juan March and Francois Cambo, had shrewdly abandoned the country they consecrated to civil war. The offensive against capital inaugurated by the Catalonian workers immediately after the heroic suppression of the Franco revolt resembled a war against an invisible enemy. The directors of the great railroads, of the urban transportation companies, of the shipping firms in the harbor of Barcelona, the owners of the textile factories in Tarrasa and Sabadell had disappeared and it was exceptional when during the seizure of the street car system of Barcelona the workers found in the administration buildings of the big monopolistic concerns a lonely, trembling creature whose life and liberty they could spare by a magnanimous impulse.

Thus the Catalonian proletariat established itself at will in the capitalist plants and offices that had been deserted by their erstwhile masters. The collectivized enterprises after seizure by the workers operated in similar fashion as "the stock companies of capitalist economy." The general meetings of the workers proceeded to elect councils in which all activities of the plants are represented—production, administration, technical service, etc. Permanent connection with the rest of industry was maintained by the representatives of the trade union central bodies, who also participated in the sessions of the councils. The business management itself was left to a director selected by the workers of each shop, in the more important enterprises subject to the consent of the general council of the respective industry; there is no reason why he should not be the former owner, manager or director, of the socialized enterprise.

However, this external similarity by no means signifies that collectivization did not essentially change the system of production of the industrial and commercial enterprises. It merely demonstrates the relative ease with which under equally fortunate circumstances as had offered themselves here — deep and far reaching changes in production management and wage payment can be accomplished without great formal and organizational transformations. Once the resistance of the former economic and political rulers was completely eliminated for a time, the armed workers could proceed directly from their military task to the positive one of continuing and transforming production for which they had prepared themselves in what had seemed to many observers to be boundless and "utopian" dreams in the preceding period.

Even for that most intricate problem of socialism, the **collectivization of agriculture,** these workers had prepared a completely realistic program unmarred by haste, exaggeration or psychological blunders. The resolution on the collectivization of the land which had been passed by the congress of the C. N. T. in Madrid in June, 1931, and which since, through all the vicissitudes of an advancing and retreating revolutionary movement, had been spread and carefully explained throughout the land by anarchist and syndicalist propagandists, gave now practical guidance for action in July and August, 1936 to the agricultural laborers and small tenant farmers left entirely to their own initiative, unhampered by any external authority or tutelage. The concrete forms in which this task was solved by the agricultural producers themselves is illustrated by a resolution of the full meeting of the Catalonian agricultural workers and by the regulations and or-

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*For a more detailed description see the previously mentioned article, *Economics and Politics in Revolutionary Spain* in Living Marxism, No. 3, May 1938.

ganization plans subsequently adopted by various districts and communes in the agricultural year 1936-37.

Only the main points of the detailed and exact manner of presenting the collectivization in the most important single industries — transport, textile, food and others — that take up the second part of the book can be discussed here. These chapters show not only the new social organization of the industries, but mark distinctly the beginnings of the great successes resulting from the economic and social initiative of the libertarian labor movement for the workers themselves and even more so in maintaining and expanding production. We read of the abolition of inhuman working conditions, of wage increases and reduction in hours, of various new forms of equalizing wages between various types of workers, skilled and unskilled, male and female, adults and juveniles, of "salaire unique" and "salaire familial." We see how the question of raising and improving production in every industry assumes increasing importance from week to week. We read of entirely new industries such as the optical industry, called into being by the revolution itself. We hear of the process by which some branches of industries lacking unobtainable foreign raw materials, or not necessary for the immediate needs of the population were now quickly adapted to procuring the more pressing war materials. We are told the pathetic story of those poorest strata of the working class who voluntarily sacrificed their at last improved conditions in order to assist in war production and to aid the war victims and refugees from Franco-occupied territory.

However, these negative virtues of sacrifice and self denial under which the great achievements of the revolutionary Spanish workers in the last two years has too often been submerged by their more or less sympathetic foreign observers, do not claim our main interest in this matter. Our main interest in this first period of Spanish collectivization is in the important role played by the **particular type of trade unions** most characteristically represented by the workers of Catalonia and Valencia that until recently was attacked and despised by the prosperous trade unions of England and the powerful Marxist organizations of middle and eastern Europe as a utopian form doomed to failure in any serious situation. These syndicalist formations, anti-party and anti-centralistic, were entirely based on the free action of the working masses. Their whole business, routine as well as emergency activities, had been managed from the outset not by professional officialdom, but by the elite of the workers in the respective industries. That same conscious elite represented by revolutionary acting committees, created by the fighting workers within and without the unions to meet the various problems as they arose, furnished the initiative, endurance, example, and activity for the basic achievements of the new revolutionary period. This historic lesson of Spanish collectivization is of permanent importance for the organizational and tactical developement of the revolutionary movement.

The energy of the anti-State attitude of the revolutionary Spanish proletariat, unhampered by self-created organizational or ideological obstacles explains all their surprising successes in the face of overwhelming difficulties. It explains the fact, unprecedented by any previous European experience, that revolutionary collectivization in Spain from the outset and as a matter of course was extended to the **State and municipal enterprises** as well as to private capitalist concerns. In this connection the account of the collectivization of the State Petroleum Monopoly and of the public services (light, power, and water works) generally is of the greatest interest. Even the otherwise somewhat exuberant description of the rapid "100% collectivization of the barber shops" and of the equally successful "social regulation of street-trade" in Barcelona, eloquently testify to the peculiar creative power of the revolution even in a sphere whose very existence conflicts with it though they add very little to the real solution of such difficult border problems of the proletarian revolution as

those dealing with handicraft and commerce. The real contributions of the Spanish revolution to these questions are only indirectly touched in connection with the already mentioned problem of agricultural production and in the discussion (contained in parts 4 and 5) of the various forms in which collectivization has been achieved on a local scale by measures more or less affecting the entire production and mode of existence of the smaller cities and country districts.

The no longer theoretical but purely descriptive character of these last two parts prevents rendition of even a small fraction of its rich contents in this short review. Each of these fourteen small narratives, apparently sketch-like, but touching all essential problems of society, reports the more or less typical yet peculiar features of the new life under the varying local conditions based on the general development of the country. The description starts with the advanced industrial conditions in the textile center, Tarrasa, near the capital, with its 40,000 inhabitants of whom 14,000 were workers, 11,000 of whom were organized in the syndicalist C.N.T., while the rest were in the social-democratic U.G.T. From there through various intermediate stages it moves down to the poorest, most primitive, small and s m a l l e s t villages of Catalonia, Aragon and LaMancha, located far from all industrial and urban culture, yet deeply affected by the new life. Here the publishers remark: "And we notice continually that great and real revolutionary progress was made in the small, thinly populated cities and v i l l a g e s, a more i m p o r t a n t progress undoubtedly than in the cities with the greater populations." This praise of simplicity and poverty is in strange contrast to the materialistic ideas of the Marxist movement but has long been characteristic of this other form of labor movement which in the trenches of the Spanish civil war and in the equally heroic endurance of the suffering populations of Madrid, Barcelona, and Valencia carried on the struggle of the working class temporarily defeated everywhere in the rest of Europe. The sentiment here described reaches its climax in the concluding sketch about a little country town situated in a thinly populated province of La Manche. There the workers were at all times utterly deprived of modern material and cultural comfort. Nevertheless, they had all been organized in their syndicates since 1920 and had now been among the first to completely adopt the new life of libertarian communism. Referring to this experience, the book ends in the pathetic statement: "Membrilla is perhaps the poorest city in Spain, but it is the justest."

Karl Korsch

MARXISM AND MARGINAL UTILITY ECONOMICS

Recently the editors of *Common Sense** have once more dealt with the "unscientific" character of Marxism by pointing out that

"Ricardo's labor theory of value, taken over by Marx and embellished with the theory of surplus value, was abandoned long ago by all but the Marxist economists, and a whole branch of "marginal utility" economics developed, of which Marx could know nothing... that even in the Soviet Union (so far as Five Year Plans go, if not at the Marx-Engels Institute) marginal utility economics have displaced the useless and misleading Marxian economics."

However, what is brought forward here as an argument against Marxism is in reality only another confirmation of it. Certainly, the Russian state-capitalism, in which class relations are continued, cannot employ the Marxian

*Marx over Europe. Common Sense, September 1938, p. 4.

science, for this science consists of nothing but the critique of those selfsame capitalistic conditions, which characterize Russia and every other capitalistic country. For the purpose of justifying the exploitation of the workers, the inequalities of income, and the accumulation of capital that exist there, the Marxian economic theories are certainly useless. What Marx had said* of the science of bourgeois economy — namely, that it reached its limits with Ricardo because,

"He consciously made the antagonism of class interests, of wages and profits, of profits and rents, the starting point of his investigation,"

holds equally true for Russian economic "science." The continued class society forces Russian economic theory to embrace those ideological weapons of bourgeois society which appears as economic theory, and to attempt to destroy even that kernel of truth contained in Classical economy, which served the Marxists as a basis of attack upon the whole capitalistic society.

The development of marginal utility economics is closely connected with the difficulty of the proponents of the classical theory to confute Marxist theories, as both the Classicists and the Marxists based their argument on the same objective value concept. The marginal utility school arose in defense of capitalism, and its apology consisted in the construction of a value concept which justified the prevailing class and income differentiations. The existing inequalities based on the exploitation of labor were explained as an undefeatable *natural law* of *diminishing utility*. This theory, as was so well stated by C. E. Ayres,**

"Only undertakes to demonstrate under any given conditions of income distribution the automatic achievement of the maximum total of human satisfaction: the greatest good of all. Even so, this poor-little-rich-girl notion which proposes to balance the surfeit of the rich against the precarious existence of the poor is so extravagantly complacent that most economists have hesitated to give it clear and unequivocal expression."

Though single concepts of this theory were adopted by economists of other schools, nevertheless, as a general theory, it was slowly abandoned. The Neo-Classicists, for instance, did not bother themselves any longer with questions as to the desirability or the justification of the prevailing economic system: they simply took for granted that it was the best possible one, and merely tried to find means of making it more efficient, a condition which forced them to restrict themselves, as far as market phenomena were concerned, to mere price considerations. The value concept was displaced by a cost-of-production theory, which the Neo-Classicists thought sufficient to explain the existing division of wealth.

However, the question of utility was raised anew in relation to the problem of the allocation of resources in a socialist economy*** and it was pointed out that even with an acceptance of the labor theory of value, the question of *demand* must be dealt with. It is clear that no society can pre-

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*K. Marx, Capital. Vol. I, p. 18.

**The Problem of Economic Order. New York 1938, p. 43.

***Oscar Lange, On the Economic Theory of Socialism. Minneapolis 1938. This book will be reviewed at length in the next issue of Living Marxism.

vail which entirely disregards the real needs of its people; that production is impossible unless men are able to eat and work.

"Every child knows, too, that the mass of products corresponding to the different needs require different and quantitatively determined masses of the total labor of society. That this necessity of distributing social labor in definite proportions cannot be done away with by the **particular** form of social production, but can only change the **form it assumes,** is self-evident."*

However, the question of the allocation of resources to meet demand and in the interest of economy as it is raised in modern economic theory has no connection with the simple and direct statement of Marx just quoted, but is determined by class considerations based on a particular form in which the union of labor and the means of production is accomplished.

In Russia, as elsewhere, the means of production are not controlled by the workers but are the monopoly of a special group in society. In the relations of the workers to the means of production, no difference exists between a private property society and a state-capitalist system. The position of the Russian bureaucracy to its workers is exactly the same as that of the individual enterpreneur to his. The first need of that bureaucracy is to safeguard its own position in order to develop industry and agriculture. Whatever else this bureaucracy may do, it has first of all to "plan" its own security, and then to proceed to "plan" life for the rest of the population. This is recognized not only by the present and supposedly "degenerated" Russian bureaucracy, but was clear also to the "founders" of the Russian state-capitalist system.

"As a general rule." Trotsky has said**, "man strives to a v o i d labor. The problem before the social organization is just to bring 'laziness' within a definite framework, to discipline it, and to pull mankind together... The only way to attract the labor power necessary for our economic problems is to introduce compulsory labor service... We can have no way to socialism except by the authorative regulation of the economic forces and resources of the country, and the centralized distribution of labor power in harmony with the general State plan. The Labor State considers itself empowered to send every worker to the place where his work is necessary. And not one serious Socialist will begin to deny to the Labor State the right to lay it's hand upon the worker who refuses to execute his labor duty."

After the question of production is thus settled, the question of distribution is easily solved.

"We will retain, and for a long time will retain, the system of wages," Trotsky pointed out. **However, "Wages, in the form of money and of goods, must be brought into the closest possible touch with the productivity of individual labor... Those workers who do more for the general interest than others receive the right to a greater quantity of the social product than the lazy, the careless, and the disorganizers. Finally, when it rewards some, the Labor State cannot but punish others — those who are clearly infringing labor solidarity, undermining the common work, and seriously impairing the socialist renaissance of the country. Repression for the attainment of economic ends is a necessary weapon of the Socialist dictatorship."

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*The Correspondence of Marx and Engels. New York 1934, p. 246.

**L. Trotsky, Dictatorship vs. Democracy. New York 1922, pp. 133-142.

***Ibid., p. 149.

The control of production by a particular group in society carries with it their control of distribution. The division of society into rulers and ruled as deemed necessary by Trotsky and as exists in Russia requires, besides a sufficient number of bayonets, an ideology which convinces those who are ruled that their status is natural, unavoidable, and beneficial. Income differentiations and, with this, the formation of additional group interests, becomes an increasing necessity, and is accentuated still more by the political need to preclude a unity of misery against the privileged in society. Because Marxism could be employed only in opposition to such a state of affairs, it had to be rejected, ignored,or emasculated in favor of evaluations supposedly based on *scarcity, utility,* or *demands;* for behind such terms, not only real but also assumed utility, scarcity, and demand can be hidden and justified. The "utility" of the one or the other social function or labor is first of all the "utility" it has for the safeguarding of existing class relations and its corresponding mode of production. Not social needs will determine "utility", but group interests. The class structure of society comes to light precisely in its need for such evaluations. Just as little as the privileges of the capitalists results from their "utility" but from the fact that they control the means of production and are thus able to exploit the workers, so little does "utility" explain the privileges of the Russian bureaucracy. Those privileges are also based on the conditions of the control of the means of production by the bureaucracy. A theory justifying class rule and exploitation is necessary in Russia, and its acceptance of the defense theories of capitalism does not, as the editors of *Common Sense* believe, indicate the faulty character of Marxism, but its continued usefulness in the class struggle of the Russian workers against their present masters.

BOOK REVIEWS

Karl Marx. By Karl Korsch. Chapman & Hall, London (6s.) John Wiley & Sons, New York (247 pp.; $1.75) Order from: Council Correspondence, P. O. Box 5343, Chicago, Ill.

In conspicuous distinction to many other interpretations of Marx, this book concentrates upon the essentials of Marxian theory and practice. The author restates "the most important principles and contents of Marx's social science in the light of recent historical events and of the new theoretical needs which have arisen under the impact of those events." The book is not out to please the curious, nor to serve the apologists, nor does it correspond to any particular group interest. Because in its compactness and objectivity the book is a useful theoretical tool for proletarian class aspirations, we cannot in reviewing it do better than to indicate, though inadequately, its richness and value.

The book is divided into three parts: Society, Political Economy, and History. Marxism is declared "the genuine social science of our time," and its superiority to the pseudo social science of the bourgeoisie is demonstrated throughout the book.

Of the greatest importance to the comprehension of social phenomena, the author points out, is the grasp of Marx's principle of **historical specification.** Marx dealt with all economic, social and ideological concepts "only insofar as it is necessary

for his main theme, i. e., the specific character assumed by them in modern bourgeois society." The so-called 'general ideas' must always have a specific historical element. For instance, the false idealistic concept of evolution as applied by bourgeois social theorists "is **closed** on both sides, and in all past and future forms of society it rediscovers only itself. The Marxian principle of oevelopement is, instead, **open** on both sides. Marx defines the new communist society arising out of the proletarian revolution not only as further developed forms of bourgeois society, but as a new type which is no longer to be basically explained under any of the bourgeois categories." How necessary it is, and especially today, to restate this Marxian position becomes clear if only when we consider the recent literature on socialism which envisions the socialist society as a modified form of capitalism, and, under different names, transfers all capitalistic categories into the "new" society.

The principle of historical specification as employed by Marx does not exclude a necessary degree of generalization. However, it leads to a new type of generalization. With Marx, "The 'general' of the concept is no longer set up against concrete reality as another realm; but every 'general', even in its conceptional form, necessarily remains a specific aspect or a mentally dissected part of the historical concrete of existing bourgeois society."

The present popular chatter about the "methaphysics of dialectical materialism," although not taken up by Korsch are nevertheless answered by him when he points out that, "If Marx, indeed, took his start from a critical and revolutionary reversal of the principles inherent in Hegel's method, he certainly went on to develop, in a strictly empirical manner, the specific methods of his own materialistic criticism and rescarch." The exitement of the latest "common-sense" critics is the less warranted, as the Marxian theory, "which deals with all ideas as being connected with a definite historical epoch and the specific form of society pertaining to that epoch, recognizes itself as being just as much an historical product as any other theory pertaining to a definite stage of social development and to a definite social class."

The second part of the book points out at the outset that "Political Economy, dealing with the material foundation of the existing bourgeois state, is for the proletariat first and foremost an enemy country." The author describes the history of bourgeois economic thought concisely and well, and he shows why any "genuine development of Political Economy was precluded by the real historical development of bourgeois society." Marx's critique of Political Economy was not, as is often assumed, a furthering of bourgeois economic science, but the theory of an impending revolution. The differences between the Classical and the Marxist economic concepts are demonstrated in a most enlightening manner, and it is shown that the Marxian improvements "upon classical economic theory are important, not for their purely formal advance over the classical concept, but for their definite transfer of economic thought from the field of the exchange of commodities and of the legal and moral conceptions of 'right' and 'wrong' originating therein to the field of material production taken in its full social significance."

We think the finest chapters in the book are those devoted to the **Fetishism of Commodities** and the **Law of Value.** The author shows anew that, "The most general ideas and principles of Political Economy are mere fetishes disguising actual social relations, prevailing between individuals and classes within a definite historical epoch of the socio-economic formation," and he points out further that the theoretical exposure of the fetishistic character of commodities is "not only the kernel of the Marxian **Critique of Political Economy,** but at the same time the quintessence of the economic theory of capital and the most explicit and most exact definition of the theoretical and historical standpoint of the whole materialistic science of society." These chapters

a r e so masterfully concentrated without thereby losing clarity that they make feeble any attempt at restatement. The thoughts cannot be coached in more terse and more effective language and we can only restrict ourselves to the statement that the author sees the task of the revolutionary proletariat as "the ultimate destruction of capitalist commodity fetishism by a direct social organization of labor." The meaning of the present social organization of labor, which is hidden under the apparent value relations of commodities, is demonstrated with reference to the present illusionary capitalistic "planning" attempts, which can only still further disrupt the "order" that is peculiar to capitalism and that was brought about by the blind necessities of a fetishistic law of value.

Another chapter exposes the common misunderstandings of t h e Marxian doctrine of value and surplus value and is very timely because of the new attacks launched by "liberalism" upon the "unscientific" character of Marxian economic theory. For it is argued ever and again that Marx's value theory must be wrong since it approaches the problem exclusively from the supply side and is therefore unable to approach the real price problem. However, Korsch points out. "It was never the intention of Marx to descend from the general idea of value as expounded in the first volume of **Capital,** by means of ever closer determinants to a direct determination of the price of commodities. The particular importance of the law of value within Marx's theory has nothing to do with a direct fixation of the prices of commodities by their value." The diverse expositions of bourgeois economists attempting to prove discrepancies between the law of value and actual price constellations, discrepancies due, they believe, to the "one-sidedness" of Marx's value concept, are entirely beside the point. And it is rather amusing to note that Marx's application of the law of value to labor power is rejected with the argument of the flexibility of wages, an argument which demonstrates only that these bourgeois economists do not know the position of their opponent. According to Marx, "There is no **economic** or other **rationally** determinable relation whatever between the value of the new commodities produced by the use of labor power in the workshop and the prices paid for this labor to its sellers."

The latter part of the book deals with the materialistic conception of history. Though it has a philosophical origin, Korsch points out that Marx's materialistic science, "being a strictly empirical investigation into definite historical forms of society, does not need a philosophical support." Tracing the scientific development of Marx, he shows that. "As early as 1843 it had become clear to Marx that Political Economy was the keystone of all social science." In place of the time-less development of the "idea", Marx put the real historical development of society on the basis of the development of its material mode of production. In a chapter dealing with the relation between Nature and Society, Korsch shows, that. "As with all other innovations embodied in the new materialistic theory, Marx's methodical extension of society at the expense of nature is proved mainly on the field of economic science." After clarifying a number of Marxian concepts such as the relation between productive forces and productive relations, basis and superstructure of s o c i e t y, Korsch explains what Marx meant in saying that, "The real historical barrier of capitalistic production is capital itself," and that only the proletarian revolution, by changing the production relations, can secure the further progressive development of the social forces of production.

But though we agree in such large measure with this interpretation of Marx, we cannot abstain from remarking that its great clarity and revolutionary consistency in dealing with Marx is somewhat dimmed as soon as it deals with more recent revolutionary events and their characters. For instance, the shift of emphasis between the earlier and the later formulations of the material-

istic principles by Marx, from the subjective factor of revolutionary class war to its underlying objective development is, in Korsch's interpretation, caused by actual developments enforcing a change of attitude. "In a similar manner," he says, "the revolutionary Marxist, Lenin, came to grips with the activistic revolutionary tendencies of the left Communists of 1920 who in an objectively changed situation adhered to the slogans of the direct revolutionary situation released by the Great War." This belated defense of Lenin's opportunistic and rather silly pamphlet "Radicalism, an Infantile Disease of Communism," which was designed to secure Russian control over the International labor movement in the specific interest of Russia and its Bolshevik Party, cannot change the fact that Lenin's "turn of face" was not the result of a sober consideration of a changed situation, but was no change of face at all. This pamphlet of Lenin's maintained the position he always had against the revolutionary opposition of parts of the proletariat of Western Europe. This position was his also during that time, which, according to Korsch, was objectively revolutionary. It was the position of the Social-democracy of pre-war times, which Lenin never left mentally but only organizationally. It was interwoven with the position of the Russian bourgeois revolutionist and was in strict opposition to all specific revolutionary principles of the working class before, during, and after the Great War. It was in strict opposition, too, to those Marxian principles, forgotten by both the Socialists and Bolsheviks and which, restated here, makes this work, whether its author likes it or not, a weapon against the "Marxist" Lenin.

The School for Dictators. By Ignazio Silone. Harper & Brothers. (336 pp.; $2.50)

In spite of his apparent broadness of mind the author of this outstanding book is a man with a remarkable singleness of purpose. He wrote a valuable **History of Fascism** many years ago and is even better known by his achievements in the field of the political novel. In the small novel **Fontamara** he has been the first, as far as this reviewer is aware, to introduce into literature an unretouched portrait of the poor peasant (Cafone), whereas all former writers of so-called peasant novels dealt with the subject at best from the viewpoint of those higher strata of the rural population who have already acquired a definite power of self-expression. Then followed another novel, **Bread and Wine,** dealing with the plight of the rural and urban workers of present-day Italy and their vain attempts to rise against the crushing weight of fascist oppression. It is just that class of readers who were particularly stirred and inspired to a hope against hope by the cruel story told in "Bread and Wine" to whom this new book will most appeal. It may be safely said that from no other piece of literature today could we single out at a moment's notice many pages with which we could agree so unreservedly.

That doesn't mean that we necessarily accept the whole of the author's outlook and argument. We might rather object to his excessive emphasis on a psychological description of the dictator's frame of mind and on various political and ideological complexities, instead of a clear and comprehensive analysis of the underlying economic conditions. However, nobody asks us for that kind of wholesale approval. Every attempt to do so was carefully excluded by the author when he chose for the presentation of his thought that complex form of the dialogue which had been used before him under similar conditions by a series of famous political philosophers (Plato, Hobbes, de Maistre, etc.), all of whom were brilliant writers but none an unambigous defender of the revolutionary cause of his time.

By this device the ideas of the author are nowhere expressed in terms of simple assertions, but are refracted prismatically through the medium of three different personalities. There is **Professor Pickup,**

the founder of "Neo-Sociology," a learned but extremely foolish ideological aid-de-camp of the future dictator of America. He is that indespensable man who unfailingly says the wrong thing or the right thing at the wrong place. There is the aspiring candidate for the dictatorship, **Mr. W.**, himself. He is a perfect specimen of that extremely untheoretical type — the plain matter-of-fact American businessman. And there is **Thomas the Cynic** of whom the author says, "His many bitter experiences and the cool analysis to which he has subjected them have freed him from party dogmas, without, however, quenching the inner urge which led him as a youth toward the workers. This, however, is known only to his friends, while others, who hear him arguing and criticizing, **cannot understand why he still remains a Socialist.**" Most reviewers have drawn from this the conclusion that it is Thomas alone who utters the true opinions held by Silone himself, but that is most obviously a woefully misleading assumption. The tireless, controversialist, and completely unprejudiced, though somewhat vaguely sentimental and at bottom somewhat mystified, critic of accepted facts and ideas who is Thomas the Cynic represents like the others, only one particular aspect of the author's complex mind. It appears, and more often than you would expect from a book which professionally aims at debunking the bogey of dictatorship, that it is just Mr. W. who makes the shrewdest remarks and draws the most striking conclusions. And even that tiresome bore, Professor Pickup, plays an especially necessary part in the fulfillment of the author's purpose. By his very profuseness he helps to exhaust the author's comprehensive note-book of historical references and quotations. How necessary this is, is indicated by the fact that the form of the dialogue is occasionally exploded by the excess of such inexhaustible materials. Just as Bernard Shaw prefaced his major stage-plays by comprehensive excerpts from his " Socialist's Handbook and Pocketguide," so Thomas the Cynic here and there leaves with his partners a collection of Nazi quotations on the technique of propaganda (pp. 165-174) or a few notes incorporating Hitler's ideas on organization (pp. 307-312).

We too shall conclude the review of Silone's book with a few selected quotations. A contention to which Thomas the Cynic repeatedly returns is the fact that Fascism both in Italy and Germany, in spite of its apparent "anti-Marxist" an "anti-Communist" preoccupation, "rose and developed as a reaction against social reformism rather than against revolutionary or Communist Socialism (118-120)." As a kind of "mental margarine," it was substituted for genuine thought, religion, art, etc., and as a "political margarine" it replaced Socialism and democracy with a false Socialism and an apparent democracy. However, as Mr. W. points out, "One shouldn't turn up one's nose at substitutes, if substitutes are really necessary." Even Thomas the Cynic, though he points out the important difference, has eventually to accept the practical soundness of this principle. "The political defeat of the Socialist parties," he says, "does not eliminate the concrete problems of production and social organization that they were intended to solve; Fascism does provide the working masses with a partial and apparent satisfaction, compatible with capitalist interests (256)." For this purpose, "Unlike previous reactionary movements, it fights revolution with revolutionary methods." As Hitler said before the court of Munich after his Beerhall-Putsch (according to the records inspected by Professor Pickup), "If I stand here today as a revolutionary, it is as a revolutionary against the revolution (257)!"

Again, Thomas the Cynic shows how well both the modern dictators understand the **twofold function of trade unionism** (266): "The same trade unions, led fanatically in the political and national interest, would turn millions of workers into the most valuable members of their nations, regardless of occasional individual struggles for purely econom ic demands (Hitler, Mein Kampf)." "Fascism practices trade unionism through a physiological necessity of its developement (Mussolini)." —

When Thomas and Professor Pickup both indulge in a sentimental praise of local and regional self-government as the only safeguard of true democracy, Mr. W. cuts in several times and finally sums up: "To be perfectly frank with you, I find all this a little tedious (296)." The uncanny pro-nazi activities of the German Communist Party 1926-33 are described in a masterpiece of concentrated history on three pages (227-30). "It is a pity, it really is a pity that the Communist Party in America is so weak," exclaims Mr. W. Social-Democracy, of course, gets an equal share of appreciation, and the whole glory of the so-called Fascist and Nazi "revolutions," of 1922 and 1933 is finally debunked in a concluding documentary chapter on **"The coup d'e'tat with the assistance of the authorities."**

K. K.

The Story of the C. I. O. By Benjamin Stolberg. The Viking Press. (294 pp.; $2.00)

Labor's New Millions. By Mary Heaton Vorse. Modern Age Books. (312 pp.; 50c)

Judging from the growing literature dealing with union questions, it seems that everybody from the Administration down to the last Trotzkyite agrees with Stolberg that the CIO is the "most important social movement since the Civil War." Here are two new books in a long list of recent publications on this subject. The factual material of all such books is the same; the only difference between them is a difference of attitudes. By now everybody should know, even if he only reads the newspapers, who is who, and what is what in the CIO, when and how it started, what kind of genius or evil spirit John L. Lewis is, how fast the membership grew and how everybody was surprised thereby, and what victories have to be considered losses, and what losses were celebrated victories, etc.

Because of the People's Front spirit still prevailing in the Communist Party, Mary H. Vorse's story tries hard to please everybody. For her, all is honey; her book is what is always described as a positive constructive attitude towards the problems of labor, in other words, it is untrue and silly. Stolberg, on the other hand, would share Mary H. Vorse's attitude, if it were not for her and her friends of the C. P. His book is out to warn the CIO against the Communist Party.

Though Stolberg considers the CIO such an important social movement, nevertheless he declares that it was the "New Deal which needed organized labor to save big business." In other words, the "most important social movement since the Civil War," was merely one aspect of the social reorganization program in which the present Administration is engaged. Of this same reorganization process Stolberg has said in another place, that an earthquake would possibly have done the job just as well. However, an earthquake would not have given John L. Lewis the chance to take advantage of a real governmental need which coincided with an upturn in business and with the attempt of the workers also to gain in the new economic spurt. But we will leave these complexities to Stolberg himself. Here we will only state that we agree that this "most important social movement" was largely governmental, and that really Roosevelt and not John L. Lewis should be applauded. But then to people like Stolberg social and governmental problems are always identical, just as for them the workers in the C I O are identical with the leaders of that enterprise. As the CIO was designed largely to save big business, so, on a smaller scale, the founders of the CIO, like Sidney Hillman and his Amalgamated banks, have on several occasions in New York and Chicago, as Stolberg says. "saved employers from impending bankruptcy." Unions simply cannot function without capital and employers, and it is only logical that they help to bolster business, and it is also only logical that Roosevelt should foster the organization of unions and their

national coordination. For more than three decades Professor Commons has pointed out that nothing harmonizes more than capitalism and unionism. And only now does this wisdom find acceptance, though as yet not complete approval. Just as the New Deal cannot save all capitalists, so unionization cannot serve all capitalists. Some can manage better without them; some cannot manage at all with them. The fact that employers fight unions doesn't prove that unions are especially useful in the everyday struggle for better wages and working conditions. The unions, not as they exist in concept, but as they are in reality, have proved bad instruments for the safeguarding of proletarian class interests, and good instruments for the division of workers into differently interested groups. Opposed to **particular** capitalistic interests, they still favor capitalism on all **general** issues. Their value must be measured, not by comparing their friendliness with, or their enmity to, different capitalistic groups, but by their ability to organize the workers as a class to wage war against capitalism for real proletarian objectives. However, Stolberg's description of the attempts of capitalistic groups to break unions or to stunt their growth by the new vigilantism is, though it doesn't say anything as to the character of the CIO, important enough to be brought to the attention of all workers. According to Stolberg, however, the real enemy is not so much the reactionary employers but the Communist Party. Because Russia "needs American imperialism, just as it needs British and French imperialism," he sees the C. P. as a disruptive element in the CIO.

In his zeal to emphasize the sinister designs of the C. P., Stolberg overlooks the fact that other groups or other leaders within the CIO cannot be regarded as preferable to the stooges of the C. P. None of the competing groups within the CIO is less disruptive than the other. Only their possibilities vary. William Green is ready to destroy any labor movement if it doesn't please his faction, and so is John L. Lewis, assuming they could destroy such movements. Each group, from the Socialists down to the last two-by-four Leninist group, is ready in its own interest to control or destroy when it can. As long as the labor movement is also a business enterprise allowing smaller or larger groups of people to make a living and a name for themselves, Russia or no Russia, the competitive struggle for jobs and positions is sufficient reason for them to destroy when they can any organization from without and within. And if an organization of the types that exist today can no longer be disrupted, that is only because it has become a regular racket secured by either real gangster methods or by more refined ones, like job control and the many devices used to keep a leadership in control of the organization into eternity. Which bureaucracy has ever been replaced except by force? And if the impossible sometimes becomes possible, as, for instance, the displacement of some C. P. — stooges in the National Maritime Union in the East, to which Stolberg hopefully points, this replacement has changed nothing as regards the relationship between members and leaders, or as regards the policy of the union. Where the C. P. stooges of the NMU advocated the acceptance of the so-called Fink book, which registers all seamen with the government and puts the hiring halls under governmental control, now, the new leadership, gaining power, accepts the Fink book as a national duty "to coordinate the various phases of national defense." Not everything may explained by Russia and its imperialistic needs; the CIO without the C. P. would look no different than it does; its factionalism would be just as severe.

Mary H. Vorse's book provides us with a little touching scene, which characterizes the CIO better than both books combined, and which we cannot resist offering our readers: "Up in Lansing, Governor Murphy, John L. Lewis, and Chrysler were conferring. The union demonstrated... The demonstration, which was totally unexpected, was very thrilling to John L. Lewis, who is said to have turned to Chrysler, saying:

'Those are real American workmen, Mr. Chrysler.' To which Chrysler responded with feeling: 'I know they are.' The crowd massed itself in front of the state house, carrying slogans: 'Mr. Chrysler, we still think you're fair, prove it!... Three little words. Then I love you... Thou shalt not muzzle the ox that treadeth out the corn... We're with you, Mr. Chrysler, if you are with us. Will Chrysler lead again with human rights?" The principals came out on the balcony for speeches. Governor Murphy with John L. Lewis on his right and Walter P. Chrysler on his left stood on the balcony looking down on the assembled Chrysler workers. The Governor—their leader John L. Lewis — and their employer, Mr. Chrysler." Isn't it simply too, too lovely?!

My Life as a Rebel. By Angelica Balabanoff, Harper & Brothers. (324 pp.; $3.75).

Angelica Balabanoff's memoirs will be of great interest to readers of Living Marxism, not primarily because of the author's interesting life history, or her characterization of a number of famous labor leaders, or her critical attitude towards the Third International, or her rather uninteresting denouncement of despicable figures like Mussolini and Zinoview, but because the book as a whole illustrates well the general insufficiency and the pseudo-proletarian character of the old labor movement. This movement in all its shadings and with all its leaders, Balabanoff not excluded, was thoroughly invested with bourgeois ideologies and far away from real proletarian aspirations and necessities. This comes just as clearly to light in the author's position on various issues, as in the tendencies and policies of the old labor movement from which she deducts the reasons for the present impasse in the labor movement. Although Balabanoff never understood the movement in which she participated, her own naivete does not prevent the reader, who has freed himself from the ideological sway of the old labor movement, to understand why the pre-war labor movement could end only in Fascism or Bolshevism or in nothing. This movement was neither capitalistic nor socialistic, and yet it was both; it was an impossibility. It could not act unless it was willing to restrict itself to a compromise solution, to accept some sort of an organized capitalism. And so it did.

However, the results did not please Balabanoff, and in despair she looks for refuge in an ideological return to the past. She hopes for better human material in leadership, she is still able to see the good as well as the bad sides in Lenin, she is still able to appreciate the socialist housing program in Vienna, and she is still ready to sum up today's situation with a few cheerful phrases. These phrases allow her to continue to believe in a new social order. She is not able to conceive of methods and struggles for workers, in contradistinction to those proved as false, which will bring about the new society. However, Balabanoff writes, more than she is aware of herself. She helps by way of a few small illustrations as to the tactics and attitudes of the bolshevik regime to destroy the legends connected with this movement. Her book supports a growing critical attitude towards the teachings and the practice of the old labor movement and in this way helps to develop today a class consciousness which can be called proletarian.

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This magazine, published by the Groups of Council Communists, consciously opposes all forms of sectarianism. The sectarian confuses the interest of his group, whether it is a party or a union, with the interest of the class. It is our purpose to discover the actual proletarian tendencies in their backward organizational and theoretical forms; to effect a discussion of them beyond the boundaries of their organizations and the current dogmatics; to facilitate their fusion into unified action; and thus to help them achieve real significance.

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KARL KAUTSKY

FROM MARX TO HITLER

In the fall of 1938, Karl Kautsky died in Amsterdam at the age of 84 years. He was considered the most important theoretician of the Marxist labor movement after the death of its founders, and it may well be said that he was its most representative member. In him were very clearly incorporated both the revolutionary and the reactionary aspects of that movement. But whereas Friedrich Engels could say at Marx's grave that his friend "was first of all a revolutionist," it would be difficult to say the same at the grave of his best-known pupil. "As a theoretician and politician, he will always 'remains an object of criticism,' wrote Friedrich Adler in memory of Kautsky, "but his character lies open, his whole life he remained true to the highest majesty, his own conscience."*

Kautsky's conscience was formed during the rise of the German Social democracy. He was born in Austria, the son of a stage painter of the Imperial Theatre in Vienna. As early as 1875, though not as yet a Marxist, he contributed to German and Austrian labor papers. He became a member of the German Social Democratic Party in 1880, and "only now," he said of himself, "began my development towards a consistent methodical Marxism."** He was inspired, like so many others, by Engel's *Anti-Duehring* and was helped in his orientation by Eduard Bernstein, who was then the secretary to the "millionaire" Socialist Hoechberg. His first works were published with Hoechberg's help and he found recognition in the labor movement through his editorship of a number of socialist publications. In 1883 he founded the

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*Der Sozialistische Kampf. Paris, November 5, 1938, p. 271.

**K. Kautsky, Aus der Fruehzeit des Marxismus. Prague 1935, p. 20.

magazine *Neue Zeit,* which under his direction became the most important theoretical organ of the German Social democracy.

Kautsky's literary and scientific work is impressive not only because of the scope of his interests but also because of its volume. Even a selected bibliography of his writings would fill many pages. In this work comes to light all that seemed and all that was of importance to the socialist movement during the last 60 years. It reveals that Kautsky was first of all a teacher, and that, because he looked upon society from a schoolmaster's perspective, he was well suited to his role as the leading spirit of a movement which aimed at educating workers and capitalists alike. Because he was an educator concerned with the "theoretical side" of Marxism, he could appear more revolutionary than was consistent with the movement he served. He appeared an "orthodox" Marxist who tried to safeguard the Marxian inheritance as a treasurer who desires to preserve the funds of his organization. However, what was "revolutionary" in Kautsky's teaching appeared revolutionary only in contrast to the general pre-war capitalist ideology. In contrast to the revolutionary theories established by Marx and Engels, it was a reversion to more primitive forms of thinking and to a lesser apperception of the implications of bourgeois society. Thus, though he guarded the treasure-chest of Marxism, he had not beheld all it contained.

In 1862, in a letter to Kugelmann, Marx expressed the hope that his non-popular works attempting to revolutionize economic science would in due time find adequate popularization, a feat that should be easy after the scientific basis had been laid. "My life work became clear to me in 1883," wrote Kautsky;

"it was to be designated to the propagandizing and popularization, and, as far as I am able to, the continuation of the scientific results of Marx's thinking and research."***

However, not even he, the greatest popularizer of Marx, has fulfilled Marx's hope; his simplifications turned out to be new mystifications unable to comprehend the true character of capitalist society. Nevertheless, even in their watered form, Marx's theories remained superior to all the social and economic bourgeois theories and Kautsky's writings gave strength and joy to hundreds of thousands of class conscious workers. He gave expression to their own thoughts and in a language nearer to them than that of the more independent thinker Marx. Though the latter demonstrated more than once his great gift for cogency and clarity, he was not schoolmaster enough to sacrifice to propaganda the enjoyment of his intellectual caprice.

When we said that Kautsky represented also what was "reactionary" in the old labor movement, we are using that term in a highly specific sense. The reactionary elements in Kautsky and in the old labor movement were objectively conditioned, and only by a long period of exposure to an inimical reality was developed that subjective readiness to turn defenders of the capitalist society. In *Capital* Marx pointed out that

"a rise in the price of labor, as a consequence of accumulation of capital,

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*****Aus der Fruehzeit des Marxismus, p. 93.**

only means, in fact, that the length and weight of the golden chain the wage-worker has already forged for himself, allow of a relaxation of the tension of it."****

The possibility, under conditions of a progressive capital formation, of improving labor conditions and of raising the price of labor transformed the workers' struggle into a force for capitalist expansion. Like capitalist competition, the workers' struggle served as an incentive for further capital accumulation; it accentuated capitalist "progress." All gains of the workers were compensated for by an increasing exploitation, which in turn permitted a still more rapid capital expansion.

Even the class struggle of the workers could serve the needs not of the individual capitalists but of capital. The victories of the workers turned always against the victors. The more the workers gained, the richer capital became. The gap between wages and profits became wider with each increase of the "workers' share." The apparently increasing strength of labor was in reality the continuous weakening of its position in relation to that of capital. The "successes" of the workers, hailed by Eduard Bernstein as a new era of capitalism, could, in this sphere of social action, end only in the eventual defeat of the working class, as soon as capital changed from expansion to stagnation. In the destruction of the old labor movement, the sight of which Kautsky was not spared, became manifest the thousands of defeats suffered during the upswing period of capitalism, and though these defeats were celebrated as victories of gradualism, they were in reality only the gradualism of the workers' defeat in a field of action where the advantage is always with the bourgeoisie. Nevertheless, Bernstein's revisionism, based on the acceptance of appearance for reality and sugested by bourgeois empiricism, though at first denounced by Kautsky, provided the basis for the latter's own success. For without the non-revolutionary practice of the old labor movement, whose theories were formed by Bernstein, Kautsky would not have found a movement and a material basis on which to rise as an important Marxian theoretician.

This objective situation, which, as we have seen, transformed the successes of the labor movement into just so many steps toward its destruction, created a non-revolutionary ideology which was more in harmony with the apparent reality, and which was later denounced as social-reformism, opportunism, social-chauvinism, and outright betrayal. However, this "betrayal" did not very much bother those who were betrayed. Instead, the majority of the organized workers approved of the change of attitude in the socialist movement, since it conformed to their own aspirations developed in an ascending capitalism. The masses were as little revolutionary as their leaders, and both were satisfied with their *participation* in capitalist progress. Not only were they organizing for a greater share of the social product, but also for a greater voice in the political sphere. They learned to think in terms of bourgeois democracy; they began to speak of themselves as consumers; they wanted to take part in all that was good of culture and civilization.

****Capital. Vol. I, p. 677 (Kerr ed.)

Franz Mehring's *History of the German Social Democracy* typically ends in a chapter on "Art and the Proletariat." Science for the workers, literature for the workers, schools for the workers, participation in all the institutions of capitalist society — this and nothing more was the real desire of the movement. Instead of demanding the end of capitalistic science, it asked for labor scientists; instead of abolishing capitalistic law, it trained labor lawyers; in the increasing number of labor historians, poets, economists, journalists, doctors, and dentists, as well as parliamentarians and trade-union bureaucrats, it saw the socialization of society, which therewith became increasingly its own society. That which one can increasingly share in one will soon find defendable. Consciously and unconsciously the old labor movement saw in the capitalist expansion process its own road to greater welfare and recognition. The more capital flourished, the better were the working conditions. Satisfied with action within the framework of capitalism, the workers' organizations became concerned with capitalism's profitability. The competitive national capitalistic rivalries were only verbally opposed. Although the movement was at first striving only for a "better fatherland", and was later willing to defend what had already been gained, it soon reached the point where it was ready to defend the fatherland "as it is."

The tolerance that Marx's "followers" displayed towards the bourgeois society was not one-sided. The bourgeoisie itself had in its very struggle against the working class learned to "understand the social question." Its interpretation of social phenomena became increasingly more materialistic; and soon there was an overlapping of ideologies in both fields of thought, a condition increasing still further the "harmony" based on the actual disharmony of class frictions within a rising capitalism. However, the "Marxists" were more eager than the bourgeoisie to "learn from the enemy." The revisionist tendencies had developed long before the death of Engels. The latter, and Marx himself, had wavered and displayed moments in which they were carried away by the apparent success of their movement. But what with them was only a temporary modification of their essentially consistent thinking became "belief" and "science" for that movement which learned to see progress in larger trade-union treasures and greater election votes.

After 1910 the German social democracy found itself divided into three essential groups. There were the reformists, openly favoring German imperialism; there was the "left"; distinguished by such names as Luxemburg, Liebknecht, Mehring, and Pannekoek; and there was the "center," trying to follow traditional paths, that is, only in theory, as in practice the whole of the German social democracy could do only what was possible, i. e., what Bernstein wanted them to do. To oppose Bernstein could mean only to oppose the whole of the social democratic practice. The "left" began to function as such only at the moment it began to attack social democracy as a part of capitalist society. The differences between the two opposing factions could not be solved ideationally; they were solved when the Noske terror murdered the Spartacus group in 1919.

With the outbreak of the war, the "left" found itself in the capitalist prisons, and the "right" on the General Staff of the Kaiser. The "center," led by Kautsky, simply dispensed with all problems of the socialist movement by declaring that neither the Social democracy nor its International could function during periods of war, as both were essentially instruments of peace. "This position," Rosa Luxemburg wrote,

"is the position of an eunuch. After Kautsky has supplemented the Communist Manifesto it now reads: Proletarians of all countries unite during peace times, during times of war, cut your throats."*

The war and its aftermath destroyed the legend of Kautsky's Marxist "orthodoxy." Even his most enthusiastic pupil,, Lenin, had to turn away from the master. In October 1914 he had to admit that as far as Kautsky was concerned, Rosa Luxemburg had been right. In a letter to Shlyapnikow,** he wrote,

"She saw long ago that Kautsky, the servile theoretician, was cringing to the majority of the Party, to Opportunism. There is nothing in the world at present more harmful and dangerous for the ideological independence of the proletariat than this filthy, smug and disgusting hypocrisy of Kautsky. He wants to hush everything up and smear everything over and by sophistry and pseudo-learned rhetoric lull the awakened consciences of the workers."

What distinguished Kautsky from the general run of intellectuals who flocked to the labor movement as soon as it became more respectable and who were only too eager to foster the trend of class collaboration, was a greater love for theory, a love which refused to compare theory with actuality, like the love of a mother who prevents her child from learning the "facts of life" too early. Only as a theoretician could Kautsky remain a revolutionist; only too willingly he left the practical affairs of the movement to others. However, he fooled himself. In the role of a mere "theoretician," he ceased to be a revolutionary theoretician, or rather he could not become a revolutionist. As soon as the scene for a real battle between capitalism and socialism after the war had been laid, his theories collapsed because they had already been divorced in practice from the movement they were supposed to represent.

Though Kautsky was opposed to the unnecessarily enthusiastic chauvinism of his party, though he hesitated to enjoy the war as Ebert, Scheidemann, and Hindenburg did, though he was not in favor of an *unconditional* granting of war credits, nevertheless, up to his very end, he was forced to destroy with his own hands the legend of his Marxian othodoxy that he had earned for himself in 30 years of writing. He who in 1902*** had pronounced that we have entered a period of proletarian struggles for state power, declared such attempts to be sheer insanity when workers took him seriously. He who had fought so valiantly against the ministerialism of Millerand and Jaures in France, championed 20 years later the coalition policy of the German social democracy with the arguments of his former opponents. He who concerned himself as early as 1909 with "The Way to

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*Die Internationale. Spring 1915.
**The Letters of Lenin. London 1937, p. 342.
***Die Soziale Revolution.

Power", dreamed after the war of a capitalist "ultra-imperialism" as a way to world peace, and spent the remainder of his life re-interpreting his past to justify his class collaboration ideology. "In the course of its class struggle," he wrote in his last work,

"the proletariat becomes more and more the vanguard for the reconstruction of humanity, in which in always greater measure also non-proletarian layers of society become interested. This is no betrayal of the class struggle idea. I had this position already before there was bolshevism, as, for instance, in 1903 in my article on 'Class — Special — and Common Interests' in the Neue Zeit, where I came to the conclusion that the proletarian class struggle does not recognize class solidarity but only the solidarity of mankind."*

Indeed, it is not possible to regard Kautsky as a "renegade." Only a total misunderstanding of the theory and practice of the social democratic movement and of Kautsky's activity could lead to such a view. Kautsky aspired to being a good servant of Marxism; in fact, to please Engels and Marx seemed to be his life profession. He referred to the latter always in the typical social-democratic and philistine manner as the "great master", the "Olympian," the "Thunder God," etc. He felt extremely honored because Marx "did not receive him in the same cold way in which Goethe received his young colleague Heine."** He must have sworn to himself not to disappoint Engels when the latter began to regard him and Bernstein as "trustworthy representatives of Marxian theory," and during most of his life he was the most ardent defender of "the word". He is most honest when he complains to Engels***

"that nearly all the intellectuals in the party... cry for colonies, for national thought, for a resurrection of the Teutonic antiquity, for confidence in the government, for having the power of 'justice' replace the class struggle, and express a decided aversion for the materialistic interpretation of history — Marxian dogma, as they call it."

He wanted to argue against them, to uphold against them what had been established by his idols. A good schoolmaster, he was also an excellent pupil.

Engels understood this early "degeneration" of the movement only too well. In answering Kautsky's complaints, he stated,****

"that the development of capitalism proved itself to be stronger than the revolutionary counter-pressure. A new upsurge against capitalism would need a violent shock, such as the loss by England of its domination of the world market, or a sudden revolutionary opportunity in France."

But neither the one nor the other event occurred. The socialists no longer waited for revolution. Bernstein waited instead for Engel's death, to avoid disappointing the man to whom he owned most,—before proclaiming that "the goal meant nothing and the movement everything." It is true that Engels himself had strengthened the forces of reformism during the latter part of his life. However, what in his case could be taken only as the weakening of the

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*K. Kautsky, Sozialisten und Krieg. Prague 1937, p. 673.
**Aus der Fruehzeit des Marxismus, p. 50.
***Ibid., p. 112.
****Ibid., p. 155.

individual in his stand against the world, was taken by his epigones as the source of their strength. Time and again Marx and Engels returned to the uncompromising attitude of the *Communist Manifesto* and *Capital* as, for instance, in the *Gotha Program Critique,* which was delayed in its publication in order not to disturb the compromisers in the movement. Its publication was possible only after a struggle with the party bureaucracy, which circumstance led Engels to remark that,

"It is in fact a brilliant thought to have German socialist science present, after its emancipaton from the Bismarckian socialist Laws, its own socialist laws, formulated by the officials of the Social Democratic Party."*

Kautsky defended an already emasculated Marxism. The radical, revolutionary, anti-capitalist Marxism had been defeated by capitalist development. At the Congress of the Workers' International in 1872 in The Hague, Marx himself had declared:

"Some day the workers must conquer political supremacy, in order to establish the new organization of labor... Of course, I must not be supposed to imply that the means to this end will be the same everywhere... and we do not deny that there are certain countries, such as the United States and England in which the workers may hope to secure their ends by peaceful means."

This statement allowed even the revisionists to declare themselves Marxists, and the only argument Kautsky could muster against them, as, for instance, during the Social Democratic Party congress in Stuttgart in 1898, was the denial that the democratization and socialization process claimed by the revisionists as in progress in England and America, also held good for Germany. He repeated Marx's position as regards the eventuality of a more peaceful transformation of society in some countries, and added to this remark only that he, too, "wishes nothing else but to obtain socialism without a catastrophy." However, he doubted such a possibility.

It is understandable that on the basis of such thinking it was only consistent for Kautsky to assume after the war that with the now possible more rapid development of democratic institutions in Germany and Russia, the more peaceful way to socialism could be realized also in these countries. The peaceful way seemed to him the surer way, as it would better serve that "solidarity of mankind "that he wished to develop. The socialist intellectuals wished to return the decenc, with which the bourgeoisie had learned to treat tem. After all, we are all gentlemen! The orderly petty-bourgeois life of the intelligentsia, secured by a powerful socialist movement, had led them to emphasize the ethical and cultural aspects of things. Kautsky hated the methods of bolshevism with no less intensity than did the white guardists, though in contrast to the latter, he was in full agreement with the goal of Bolshevism. Behind the aspect of the proletarian revolution the leaders of the socialist movement correctly saw a chaos in which their own position would become no less jeopardized than that of the bourgeoisie proper. Their hatred of "disorder" was a defense of their own material, social, and intellectual position. Socialism was to be developed not illegally, but le-

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***Aus der Fruehzeit des Marxismus, p. 273.**

gally, for under such conditions, existing organizations and leaders would continue to dominate the movement. And their successful interruption of the impending proletarian revolution demonstrated that not only did the "gains" of the workers in the economic sphere turn against the workers themselves, but that their "success" in the political field also turned out to be weapons against their emancipation. The strongest bulwark against a radical solution of the social question was the social democracy, in whose growth the workers had learned to measure their growing power.

Nothing shows the revolutionary character of Marx's theories more clearly than the difficulty to maintain them during non-revolutionary times. There was a grain of truth in Kautsky's statement that the socialist movement cannot function during times of war, as times of war temporarily create non-revolutionary situations. The revolutionist becomes isolated, and registers temporary defeat. He must wait till the situation changes, till the subjective readiness to participate in war is broken by the objective impossibility to serve this subjective readiness. A revolutionist cannot help standing "outside the world" from time to time. To believe that a revolutionary practice, expressed in independent actions of the workers, is always possible means to fall victim to democratic illusions. But it is more difficult to stand "outside this world," for no one can know when situations change, and no one wishes to be left out when changes do occur. Consistency exists only in theory. It cannot be said that Marx's theories were inconsistent; it can, however, be said, that Marx was not consistent, i. e., that he, too, had to pay deference to a changing reality and, in non-revolutionary times, in order to function at all, had to function in a non-revolutionary manner. His theories were limited to the essentials of the class struggle between bourgeoisie and proletariat, but his practice was continuous, dealing with problems "as they came up," problems which could not always be solved with essential principles. Unwilling to retire during the upswing period of capitalism, Marxism could not escape functioning in a manner contrary to a theory resulting from the recognition of a real and always present revolutionary class struggle. The theory of the everpresent class struggle has no more justification than the bourgeois concept of progress. There is no automatism keeping things rolling uphill; instead, there is combat with changing fortunes; there is the deathlock of the struggle and the utter defeat. Mere numbers of workers opposed to the powerful capitalist state at times when history still favors capitalism do not represent the giant on whose back the capitalist parasites rest, but rather the bull who has to move in the directions his nose-stick forces him to go. During the non-revolutionary period of the ascending capitalism, revolutionary Marxism could exist only as ideology, serving an entirely different practice. In this latter form it was again limited by actual occurences. As a mere ideology it had to cease existing as soon as great social upheavals demanded a change from an indirect to a direct class collaboration ideology for capitalistic purposes.

Marx developed his theories during revolutionary times. The most advanced of the bourgeois revolutionists, he was the closest to the proletariat.

The defeat of the bourgeoisie as revolutionists, their success within the counter-revolution, convinced Marx that the modern revolutionary class can be only the working class, and he developed the socio-economic theory of their revolution. Like many of his contemporaries, he underestimated the strength and flexibility of capitalism, and expected too soon the end of bourgeois society. Two alternatives opened themselves to him: He could either stand outside the actual development, restricting himself to inapplicable radical thinking, or participate under the given conditions in the actual struggles, and reserve the revolutionary theories for "better times." This latter alternative was rationalized into the "proper balance of theory and practice," and the defeat or success of proletarian activities became therewith the result of "right" or "wrong" tactics once more; the question of the proper organization and of correct leadership. It was not so much Marx's earlier connection with the bourgeois revolution that led to the further development of the Jacobinic aspect of the labor movement called by his name, but the non-revolutionary practice of this movement, because of the non-revolutionary times.

The Marxism of Kautsky, then, was a Marxism in the form of a mere ideology, and it was therewith fated to return in the course of time into idealistic channels. Kautsky's "orthodoxy" was in truth the artificial preservation of ideas opposed to an actual practice, and was therewith forced into retreat, as reality is always stronger than ideology. A real Marxian "orthodoxy" could be possible only with a return of real revolutionary situations, and then such "orthodoxy" would concern itself not with "the word", but with the principle of the class struggle between bourgeoisie and proletariat applied to new and changed situation. The retreat of theory before practice can be followed with utmost clarity in Kautsky's writings.

The many books and articles written by Kautsky deal with almost all social problems, in addition to specific questions concerning the labor movement. However, his writings can be classified into Economy, History, and Philosophy. In the field of political economy, not much can be said about his contribution. He was the popularizer of the first volume of Marx's *Capital* and the editor of Marx's "Theories of Surplus Value," published during the years from 1904 to 1910. His popularizations of Marx's economic theories do not distinguish themselves from the generally accepted interpretation of economic phenomena in the socialist movement, — the revisionists included. As a matter of fact, parts of his famous book "The Economic Doctrines of Karl Marx" were written by Eduard Bernstein. In the heated discussion waged at the turn of the century concerning the meaning of Marx's theories in the second and third volume of *Capital,* Kautsky took very small part. For him the first volume of *Capital* contained all that was of importance to the workers and their movement. It dealt with the process of production, the factory, and exploitation, and contained all that was needed to support a workers' movement against capitalism. The other two volumes dealing in greater detail with capitalist tendencies towards crises and collapse did not correspond to immediate reality and found little interest not only by Kautsky

but by all Marxian theoreticians of the upswing period of capitalism. In a review of the second volume of *Capital,* written in 1886, Kautsky expressed the opinion that this volume is of less interest to the workers, as it deals largely with the problem of the realization of surplus value, which after all should be rather the concern of the capitalists. When Bernstein, in the course of his attack upon Marx's economic theories, rejected the latter's theory of collapse, Kautsky defended Marxism by simply denying that Marx ever had developed a special theory pointing to an objective end of capitalism, and that such a concept was merely an invention of Bernstein. The difficulties and contradictions of capitalism he searched for in the sphere of circulation. Consumption could not grow so rapidly as production and a permanent overproduction would lead to the political necessity of introducing socialism. Against Tugan-Baranowsky's theory of an unhampered capitalist development proceeding from the fact that capital creates its own markets and can overcome developing disproportionalities, a theory which influenced the whole reformist movement, Kautsky* set his underconsumption theory to explain the unavoidability of capitalist crises, crises which helped to create the subjective conditions for a transformation from capitalism to socialism. However, 25 years later, he openly admitted that he had been wrong in his evaluation of the economic possibilities of capitalism, as "from an economic viewpoint, capital is much livelier today than it was 50 years ago.**

The theoretical unclarity and inconsistency that Kautsky*** displayed on economic questions, were only climaxed by his acceptance of the once denounced views of Tugan-Baranowsky. They were only a reflection of his changing general attitude towards bourgeois thought and capitalist society. In his book "The Materialistic Conception of History," which he himself declares to be the best and final product of his whole life's work, dealing as it does in nearly 2000 pages with the developement of nature, society, and the state, he demonstrates not only his pedantic method of exposition and his far-reaching knowledge of theories and facts, but also his many misconceptions as regards Marxism and his final break with Marxian science. Here he openly declares "that at times revisions of Marxism are unavoidable.**** Here he now accepts all that during his whole life he had apparently struggled against. He is no longer solely interested in the interpretation of Marxism, but is ready to accept responsibility for his own thoughts, presenting his main work as his own conception of history, not totally removed but independent from Marx and Engels. His masters, he now contends, have restricted the materialistic conception of history by neglecting too much the natural factors in history.

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*Neue Zeit, 1902, No. 5.

**K. Kautsky, Die Materialistsche Geschichtsauffässung. Berlin 1927. Vol. II, p. 623.

***The limitations of Kautsky's economic theories and their transformations in the course of his activities are excelently described and criticized by **Henryk Grossmann** in his book "Das Akkumulations—und Zusammenbruchsgesetz des kapitalistischen Systems" (Leipzig 1929), to which the interested reader is referred.

****K. Kautsky, Die Materialistische Geschichtsauffassung. Vol. II, p. 630.

He, however, starting not from Hegel but from Darwin. "will now extend the scope of historical materialism till it merges with biology."* But his furthering of historical materialism turns out to be no more than a reversion to the crude naturalistic materialism of Marx's forerunners, a return to the position of the revolutionary bourgeoisie, which Marx had overcome with his rejection of Feuerbach. On the basis of this naturalistic materialism, Kautsky, like the bourgeois philosophers before him, cannot help adopting an idealistic concept of social development, which, then, when it deals with the state, turns openly and completely into the old bourgeois conceptions of the history of mankind as the history of states. Ending in the bourgeois democratic state, Kautsky holds that

"there is no room any longer for violent class conflict. Peacefully, by way of propaganda and the voting system can conflicts be ended, decisions be made."**

Though we cannot possible review in detail at this place this tremendous book of Kautsky,*** we must say that it demonstrates throughout the doubtful character of Kautsky's "Marxism." His connection with the labor movement, seen retrospectively, was never more than his participaiton in some form of bourgeois social work. There can be no doubt that he never understood the real position of Marx and Engels, or at least never dreamed that theories could have an immediate connection with reality. This apparently serious Marxist student had actually never taken Marx seriously. Like many pious priests engaging in a practice contrary to their teaching, he might not even have been aware of the duality of his own thought and action. Undoubtedly he would have sincerely liked being in reality the bourgeois of whom Marx once said, he is "a capitalist solely in the interest of the proletariat." But even such a change of affairs he would reject, unless it were attainable in the "peaceful" bourgeois, democratic manner. Kautsky, "repudiates the Bolshevik melody that is unpleasant to his ear," wrote Trotsky, "but does not seek another. The solution is simple: the old musician refuses altogether to play on the instrument of the revolution."*****

Recognizing at the close of his life that the reforms of capitalism that he wished to achieve could not be realized by democratic, peaceful means, Kautsky turned against his own practical policy, and just as he was in former times the proponent of a Marxian ideology which, altogether divorced from reality, could serve only its opponents, he now became the proponent of bourgeois laissez-faire ideology, just as much removed from the actual conditions of the developing fascistic capitalist society, and just as much serving this society as his Marxian ideology had served the democratic stage of capitalism. "People love today to speak disdainfully about the liberalistic economy," he wrote in his last work;

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*K. Kautsky, Die Materialistische Geschichtsauffassung. Vol. II, p. 629.
**Ibid., p. 431.
***The reader is referred to Karl Korsch's extensive criticism of Kautsky's work, "Die Materialistische Geschichtsauffassung. Eine Auseinandersetzung mit Karl Kautsky." Leipzig 1929.
****L. Trotsky, Dictatorship vs. Democracy. New York 1922, p. 187.

"however, the theories founded by Quesnay, Adam Smith, and Ricardo are not at all obsolete. In their essentials Marx had accepted their theories and developed them further, and he has never denied that the liberal freedom of commodity production constituted the best basis for its development. Marx distinguishes himself from the Classicists therein, that when the latter saw in commodity production of private producers the only possible form of production, Marx saw the highest form of commodity production leading through its own development to conditions allowing for a still better form of production, social production, where society, indentical with the whole of the working population, controls the means of production, producing no longer for profit but to satisfy needs. The socialist mode of production has its own rules, in many respects different from the laws of commodity production. However, as long as commodity production prevails, it will best function if those laws of motion discovered in the era of liberalism are respected."*

These ideas are quite surprising in a man who had edited Marx's "Theories of Surplus Value," a work which proved exhaustively

"that Marx at no time in his life countenanced the opinion that the new contents of his socialist ad communist theory could be derived, as a mere logical consequence, from the utterly bourgeois theories of Quesnay, Smith, and Ricardo."**

However, this position of Kautsky's gives the necessary qualifications to our previous statement that he was an excellent pupil of Marx and Engels. He was such only to the extent that Marxism could be fitted into his own limited concepts of social development and of capitalist society. For Kautsky, the "socialist society", or the logical consequence of capitalist development of commodity production, is in truth only a state-capitalist system. When once he mistook Marx's value concept as a law of socialist economics if only applied consciously instead of being left to the "blind" operations of the Market, Engels pointed out to him*** that for Marx, value is a strictly historical category; that neither before nor after capitalism did there exist or could there exist a value production which differed only in form from that of capitalism. And Kautsky accepted Engel's statement, as is manifested in his work "The Economic Doctrines of Karl Marx," (1887) where he also saw value as a historical category. Later, however, in reaction to bourgeois criticism of socialist economic theory, he re-introduced in his book "The Proletarian Revolution and its Program" (1922) the value concept, the market and money economy, commodity production, into his scheme of a socialist society. What was once historical became eternal; Engels had talked in vain. Kautsky had returned from where he had sprung, from the *petite-bourgeoisie,* who hate with equal force both monopoly control and socialism, and hope for a purely quantitative change of society, an enlarged reproduction of the status quo, a better and bigger capitalism, a better and more comprehensive democracy — as against a capitalism climaxing in fascism or changing into communism.

The maintenance of liberal commodity production and its political expression were preferred by Kautsky to the "economics" of fascism because the

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*Sozialisten und Krieg. p. 665.

K. Korsch, Karl Marx. New York 1938, p. 92. See also: Engels Preface to the German edition of La Misere de le Philosophie, 1884; and to the second vol. of **Capital, 1895.

***Aus der Fruehzeit des Marxismus, p. 145.

former system determined his long grandeur and his short misery. Just as he had shielded bourgeois democracy with Marxian phraseology, so he now obscured the fascist reality with democratic phraseology. For now, by turning their thoughts backward instead of forward, he made his followers mentally incapacitated for revolutionary action. The man who shortly before his death was driven from Berlin to Vienna by marching fascism, and from Vienna to Prague, and from Prague to Amsterdam, published in 1937 a book* which shows explicitly that once a "Marxist" makes the step from a materialistic to an idealistic concept of social development, he is sure to arrive sooner or later at that borderline of thought where idealism turns into insanity. There is a report current in Germany that when Hindenburg was watching a Nazi demonstration of storm troops he turned to a General standing besides him saying, "I did not know we had taken so many Russian prisoners." Kautsky, too, in this his last book, is mentally still at "Tannenberg." His work is a faithful description of the different attitudes taken by socialists and their forerunners to the question of war since the beginning of the 15th century up to the present time. It shows, although not to Kautsky, how ridiculous Marxism can become when it associates the proletarian with the bourgeois needs and necessities.

Kautsky wrote his last book, as he said, "to determine which position should be taken by socialists and democrats in case a new war breaks out despite all our opposition to it."** However, he continued,

> "There is no direct answer to this question before the war is actually here and we are all able to see who caused the war and for what purpose it is fought." He advocates that "if war breaks out, socialist should try to maintain their unity, to bring their organization safely through the war, so that they may reap the fruit wherever unpopular political regimes collapse. In 1914 this unity was lost and we still suffer from this calamity. But today things are much clearer than they were then; the opposition between democratic and anti-democratic states is much sharper; and it can be expected that if it comes to the new world war, all socialists will stand on the side of democracy."

After the experiences of the last war and the history since then, there is no need to search fort the black sheep that causes wars, nor is it a secret any longer why wars are fought. However, to pose such questions is not stupidity as one may believe. Behind this apparent naivete lies the determination to serve capitalism in one form by fighting capitalism in a n o t h e r. It serves to prepare the workers for the coming war, in exchange for the right to organize in labor organizations, vote in elections, and assemble in formations which serve both capital and capitalistic labor organizations. It is the old policy of Kautsky, which demands concessions from the bourgeoisie in exchange for millions of dead workers in the coming capitalistic battles. In reality, just as the wars of capitalism, regardless of the political differences of the participating states and the various slogans used, can only be wars for capitalist profits and wars against the working class, so, too, the war excludes the possibility of choosing between conditional or unconditional participation

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*Sozialisten und Krieg.
**Sozialisten und Krieg, p. VIII.

in the war by the workers. Rather, the war, and even the period preceding the war, will be marked by a general and complete military dictatorship in fascist and anti-fascist countries alike. The war will wipe out the last distinction between the democratic and the anti-democratic nations. And workers will serve Hitler as they served the Kaiser; they will serve Roosevelt as they served Wilson; they will die for Stalin as they died for the Tsar.

Kautsky was not disturbed by the reality of fascism, since for him, democracy was the natural form of capitalism. The new situation was only a sickness, a temporary insanity, a thing actually foreign to capitalism. He really believed in a war for democracy, to allow capitalism to proceed in its logical course towards a real commonwealth. And his 1937 predictions incorporated sentences like the following:

"The time has arrived where it is finally possible to do away with wars as a means of solving political conflicts between the states."* Or, "The policy of conquest of the Japanese in China, the Italians in Ethiopia, is a last echo of a passing time, the period of imperialism. More wars of such a character can hardly be expected."**

There are hundreds of similar sentences in Kautsky's book, and it seems at times that his whole world must have consisted of no more than the four walls of his library, to which he neglected to add the newest volumes on recent history. Kautsky is convinced that even without a war fascism will be defeated, the rise of democracy recur, and the period return for a peaceful development towards socialism, like the period in the days before fascism. The essential weakness of fascism he illustrated with the remark that

"the personal character of the dictatorships indicates already that it limits its own existence to the length of a human life."***

He believed that after fascism there would be the return to the "normal" life on an increasingly socialistic abstract democracy to continue the reforms begun in the glorious time of the social democratic coalition policy. However, it is obvious now that the only capitalistic reform objectively possible today is the fascistic reform. And as matter of fact, the larger part of the "socialization program" of the social democracy, which it never dared to put into practice, has meanwhile been realized by fascism. Just as the demands of the German bourgeoisie were met not in 1848 but in the ensuing period of counter-revolution, so, too, the reform program of the social democracy, which it could not inaugurate during the time of its own reign, was put into practice by Hitler. Thus, to mention just a few facts, not the social democracy but Hitler fulfilled the long desire of the socialists, the *Anschlus* of Austria; not social d e m o c r a c y but fascism established the wished-for state control of industry and banking; not social democracy but Hitler declared the first of May a legal holiday. A careful analysis of what the socialists actually wanted to do and never did, compared with actual policies since 1933, will reveal to any objective observer that Hitler realized no more

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***Sozialisten und Krieg, p. 265.**
****Ibid., p. 656.**
*****Ibid., p. 646.**

than the program of social democracy, but without the socialists. Like Hitler, the social democracy and Kautsky were opposed to both bolshevism and communism. Even a complete state-capitalist system as the Russian was rejected by both in favor of mere state control. And what is necessary in order to realize such a program was not dared by the socialists but undertaken by the fascists. The anti-fascism of Kautsky illustrated no more than the fact that just as he once could not imagine hat Marxist theory could be supplemented by a Marxist practice, he later could not see that a capitalist reform policy demanded a capitalist reform practice, which turned out to be the fascist practice. The life of Kautsky can teach the workers that in he struggle against fascistic capitalism is necessarily incorportated the struggle against bourgeois democracy, the struggle against Kautskynism. The life of Kautsky can, in all truth and without malicious intent, be summed up in the words: From Marx to Hitler.

THE STRUGGLE FOR DEMOCRACY

As chaotic as the time, are the ideas of men. Bewilderment in economic and political matters is apparently still i n c r e a s i n g. Certain unmistakable t r e n d s in thought and action, however, indicate that this confusion may be also regarded as a process of clarification. Slowly, and in a roundabout way, people b e g i n to recognize the general direction in which society moves. Attempts at adaptation to its course involve many inconsistencies, resulting from the attempt to move in traditional paths. According to many of his critics, inconsistency characterizes the writings of Herbert Agar.* At times, they contend, he writes like a fascist, and on other occasions, like a man inspired by the "People's Front." In recognition of the two-fold meaning of confused thinking, we may regard his bewilderment as his specific quality, for here he reflects only an actual situation and voices a general desire to harmonize the needs of the individual with those of society without disturbing the latter too much. Almost everybody feels for him in this respect; it is really touching to see, in economics for instance, how capitalists become "progressive socialists," and how socialists turn "progressive capitalists"; how everybody is willing to sacrifice here and modify there, to bring about a fusion of ideas that can "serve society." Indecision is the mark of all political groups; fear rules the world, the fear of fundamental social changes instead of the present makeshifts, which solve nothing and, in postponing the real issues, enable them to grow more complex. Fear leads to d e s p a i r. The "anti-fascist struggle", it is often pointed out, transforms this struggle itself into a semi-fascist movement, not to mention the fact that the methods employed by both are quite often identical. In the bourgeois camp proper the situation is no different. During the last election campaign, many a Republican spoke like the best of the New Dealers, and the New Dealers turn their welfare economics into war economics in the good old Republican tysle. No one likes capitalism as it appears today, and no one wants to do without it. (If we did not get so hungry watching this procedure, it would be funny).

*The Pursuit of Happiness: The Story of American Democracy. By Herbert Agar. Houghton Mifflin. $ 3.00.

Agar concerns himself with the history of the Democratic Party, a very bad history, in his opinion. "Much of the time since the Civil War," he writes, this party "has either been sound asleep or it has been a cheap imitation of the Republican Party. But when it has amounted to anything at all — as under Bryan, Wilson, Roosevelt — the party has been fumbling with the old problem: how to run a would-be democracy the size of an empire without exploiting some regions for the benefit of others;... how to run a would-be democracy which is also a rich capitalism without exploiting the proletarian class (p. 246)." Agar has an idea as to what a democracy should be, and measures capitalist democracy by his own abstraction. Reality is found wanting, for it did not and does not correspond to his ideal. However, more than a hundred years of attempts at "real democracy" are not, even in its present impasse, able to convince Agar that the case is lost. He has the unanswerable argument that "real democracy," i. e., his "ideal democracy", may not be considered impossible, for it has never been tried in earnest.

Agar bewails the fact that the history of the Democratic Party has too often justified Bryce's saying that the American parties resemble two identical bottles with different labels. He doesn't realize that no party derives its functions from its ideology, but from the entire social situation. Just as far removed as is the Democratic Party from Jefferson, so the Republican Party is removed from Hamilton. Agar's idealistic attitude makes him a good writer and a bad historian. He is not able to understand the history of American democracy nor the motives of the party heroes; he can point only to contradictions between theory and practice, and to decide against the latter. The disparity between reality and ideology based on class relations he sees as a conflict between means and ends, conditioned by time and place. To him, "the ends are absolute. They will remain as true and as desirable as they ever were, no matter what changes come over the world (p. 43)." However, in the process of comparing reality with his ideal, he cannot help but attack most bitterly the whole of the experienced democracy, and he salvages from it no more than Jefferson's slogan "equal rights for all, special privileges for none." Agar's indignation inspires him to an excellent description of party practices, and here he says more than he knows.

The history of democracy from Jefferson to Roosevelt continuously demonstrates to Agar that "the political success of the Jeffersonian party did not bring with it an equivalent triumph for the Jeffersonian ideas (p. 40.)" The means employed unfortunately turned against the end aspired to. But the end aspired to never conformed to Agar's absolute idea; it consisted of specific, concrete goals, which in turn determined the means employed to reach them. The contradiction Agar construes between means and ends is artificial. The limited meaning of Jefferson's phrase was clear at the time it was coined. Long before the American Revolution the people had experienced class conflicts. The recognition of class differences underlies all ideas incorporated in the Constitution, which was regarded as an instrument to help the industrial and mercantilistic interests arisen in the East to counteract the pressure of the agricultural majority. The defense of the new property form was the basis of the Constitution and was created by men intending to capitalize the country according to the English example. Jefferson's democracy also was based on the defense of private property. "It is not necessary to demand economic equalitarianism in order to make Jefferson's phrase come true," Agar writes, "but it is clearly necessary to demand economic justice (p 42)." Jefferson wanted justice for the farmers, the majority of the population, who even from the days of Shay's Rebellion knew that they would have to pay for the development of American capitalism.

However, Jefferson's **Realpolitik**, not to speak of its idealization, was for external as well as internal reasons, defeated at its start. An exclusive agricultural economy as desired by Jefferson would sooner or

later have to be industrialized to escape colonization and foreign exploitation. The War of Independence could not be undone; its success had already established the fact that the trend was toward industrialization, which would eventually subordinate to itself both forms of farming, the plantation system in the South, as well as the independent farming in the Northwest. Only while capitalism was still weak was it possible to harmonize the plantation system with independent farming, and as long as it was possible it was done, not as an inconsistency in Jefferson and his followers, as Agar assumes, but as a political expediency to oppose the growing capitalistic forces. If wasn't a democracy of the Agar type that Jefferson was fighting for, but simply agricultural advantages and property. Both parties from the outset were interested only in group problems and not in social philosophies. The kernel of Jefferson's ideal is a class issue, and each class necessarily claims to fight for the happiness of the whole of society. Jefferson's demand for decentralized powers was not a mere principle derived from ethical considerations, but a practical policy for fighting the "Federalists", who emphasized the need for centralization in opposing successful majorities otherwise difficult to control.

Jefferson's lost cause was taken up with fresh vigor by Jackson in a new and last attempt to push back advancing capitalism. He founded the "type of party machine, the type of national convention, the type of spoils system," which, to the despair of Agar, still exist. In Jackson's case, too, Agar admits that he "did not live up to his own theory of government... His contribution to the Democratic Party is not a set of doctrines, but a way of feeling about life (p. 152)." This way of "feeling about life", meaning the "defense of the plain people against the financiers and the men of big property," always remained mere feeling. "When the party came to power it did not pass a single measure which was directly in the interest of the small farmer or of the city poor... ...An efficient and disciplined party was created to serve the democratic ideal. But the party did not serve that ideal (p. 179):" After Jackson, the Democratic Party became the party of the Southern slave economy, nourished by the industrial revolution in England, which had created a seemingly inexhaustible market for cotton. Little remained even of the democratic phraseology. From the Cicil War "until the election of Roosevelt the Democratic Party was never again the dominant party." Till Roosevelt, "the Wilson Administration was the only proof that it is still possible to use the Federal government to promote progressive and Democratic aims (p. 323)." However, Wilson's policy led to the "war for democracy", the real demorcacy of the battle field. And to judge from the results so far of Roosevelt's progressive liberalism, it seems clear that it too serves tendencies quite opposed to democratic ideals.

All this does not destroy Agar's optimism. It is wrong, he says, to think that all this "was 'inevitable', that an economy of private property 'must' develop into an economy ruled by vast monopolies, that the free citizen of the Jefferson dream, 'must' become the helpless pensioner of finance or of the State... These things were done deliberately; if we deplore the results they can be deliberately undone (p. 354)." Certainly those things were done "deliberately", for the property-relations permitted it, and the elements suffering thereby were not able to hinder this development. Certainly this can be changed "deliberately", if the "victims" of previous events create the power to do so. The fact is, however, that they did not arrest this development, that they are now faced with its recults, and cannot help but operate on the basis of this new condition. Agar, however, is not inclined to change an old order into a new one, he wants merely to "undo" what was done; he wants to put history in reverse. Influenced by southern **Agrarianism,** which preaches a utopian self-sufficiency of pauperized farmers, he wants a moral revolution to win back a past, which, as he has just discovered, existed only in his fantasy.

It is true that Agar does not give his own answers to the problems

posed, that he only wishes to dramatize the great need for facing them. However, his editorship of **Free America**, the magazine to "promote independence", as well as his present book, gives one a clue as to what he would consider a solution of the social question. "Is there a law of nature requiring rich nations to keep some of their people unprivileged as swine?" he asks. By pointing to the poorer yet capitalistic Scandinavian countries he answers in the negative. Forgetting his own researches, he now contends that "our own past history shows that a system of widely ditributed property can serve the American ideal. The story of a modern industrial nation such as Sweden shows the same thing (p. 362)." Thus, uncritically, he accepts the many fairy tales recently told about the Scandinavian democracies, which, because of their enormous profits from the preceding and the impending war, their highly agricultural character and their wonderfully trained labor movement, are still able to hide the class struggle and the existing misery from clever journalists and the "public" in general. Even apart from these misconceptions, it is n o t possible to compare Sweden with America. Sweden's peculiarities are understandable only in connection with the whole European situation. If a comparison must be made, then continents should be compared with continents; any other comparison is meaningless. Besides looking to Sweden, Agar wants to interest his readers in "adult education" and in "co-operative enterprises" of the type created by the citizens of Nova Scotia, who have "lifted themselves out of poverty, ignorance, and despair." But so have many other people outside of Nova Scotia who have been favored by particular circumstances not given to all of society. His solutions are group solutions, possible only on a small scale, and unable to attain social significance.

Traditional, individualistic thinking, when disturbed, usually moves along grooves outlined by Agar. It is understandable why the petty-bourgeois mind, confronting developing forces that threaten its security, should look with nostalgic longing to the past, and go back to the old ideas of the radical petty-bourgeoisie. Like Proudhon and his followers of a hundred years ago, Agar regards free competition of small enterprises as the ideal state of economic development, capable of eliminating all privileges arising through money and land monopolies. In this way, control from above is deemed unnecessary, profits are expected to disappear, and each one will receive the fruits of his labor. "I do not intend," Proudhon pointed out, "to do away with private property, but to socialize it; that is, to reduce it to small enterprises and deprive it of its power." However, despite his democratic dream, Agar, in distinction to Proudhon and in recognition of "time and place", realizes that "the inequalities between regions and classes have become unbearable;... that they cannot be diminished except through the use of the federal power, and that it seems that Americans who still cherish Jeffersonian principles must support the use of that power (p. 367)." But there arises then a real calamity, as "all history shows that it is easier to confer power upon governments than to withdraw it." "To solve this last problem, he appeals to the "wisdom" of the people, however, the "wisdom" of the people unfortunately falls also under governmental control, as a supplement to the acquired economic and political powers. Indeed, the pursuit of happiness is difficult; democracy now has to be realized by dictatorial means, which, in order to be successful, needs "unselfish" and "ungreedy" people, so that in the end, "whether we make America a ood or a bad country will depend upon what we make, individually, of ourselves (p. 368)." With this nobody would disagree, not even Herbert Hoover. But try to tell it to the unemployed.

The ideas which Agar offers to the public are safe ideas. In the artificial struggle of democracy versus dictatorship he chooses both sides, as almost everybody else does. The "people" of Vienna recently demonstrated that this attitude is not the exclusive right of lone thinkers, but a real mass phenom-

enon: Schuschnigg in the forenoon, Hitler in the afternoon — what is the difference? One has to swim with the stream whatever deviations it describes. The absolute idea is always with us; the rest doesn't count, and has never meant anything, as Agar's book shows. The democracy for which he is pleading, even if its attainment were possible, wouldn't be much different from the democracy he dislikes; for in an atomized private property society, which is unequal from the beginning, and thereby able only to reproduce continually its inequalities on an always larger scale, and which, so far as it has equalizing powers, only equalizes misery for more and still more people, — this democracy, offered today as the way out of the present unbearable situation, can serve only as an ideological weapon towards a completely different end. As an idea, Jeffersonian democracy might very well be a big help not in the quest for a real collectivism, but in the only democratic struggle possible u n d e r capitalism, the struggle of all against all.

CURBING BIG BUSINESS?

In June, 1938, the Roosevelt Administration created the *Temporary National Economic Committee* for the purpose of making a complete study with respect to concentration of economic power in American industry, the effect of such concentration upon decline of competition and tax policies, apparently to give affirmative encouragement to competitive enterprises.

Monopoly capital has pushed the smaller capitalists against the wall. The weaker competitor who for decades advocated that "competition is the life of trade," is now demanding legislative action to stem the one-sided distribution of high profits into the pockets of monopoly capitalism. However, their demand is quite illusionary, as were all previous attempts to "curb" big business.

Looking backward, we note that the struggle of the opposing fractions within the capitalist class has been noticeable for the last 75 years. It always has been the aim of the smaller capitalist and industrialist to prevent the growing concentration of capital through legislative efforts. The struggle, however, usually ended in scraps of paper. The Interstate Commerce Law, 1887, the Anti Trust Law, 1890, and many others, were enacted only to be interpreted and perforated until they had no teeth left. Part after part was declared inoperative by the courts, all efforts to enforce the law broke on the powerful opposition of the monopolistic concerns.

The economic necessity of cooperation of government and industry during the World War, and the encouragement of industry for consolidation by the decisions of the Supreme Court during this period gave the consolidation movement renewed impetus. Consolidation for war profits without so-called unfair practices became the demand of the hour. As in previous times the government in its public campaigns made a distinction between good and bad trusts, purposely overlooking the fact that the mere existence of trusts constituted a violation of the "laws of the nation."

The post-war period created a new phase of trustified industry: concentration of control by means of holding companies and investment trusts in order to eliminate competition and create greater profits. These organizations,

through the practical means of interlocking stock holdings and directorites, were soon to play a decisive role in the development of the economic structure. For the first time we observe in the 1920's the increasing number of holding companies as a modern form of monopolization. At the end of the decade we find monopolies dominating by such methods production in the United States as follows: 75% of steel production capacity was owned by 6 companies; 70% of the rubber tire production was in the hands of 4 companies; electrical equipment industry was dominated by 3 big corporations; and the automobile industry was ruled by 2 giant integrations. The following compilation illustrates this concentration movement:

Number of firms merged or aquired

	1918-1928	During 1928
Iron and Steel	1364	172
Oil	765	56
Lumber and Paper	510	85
Textiles	505	148
Chemicals	355	96
Coal	296	18
Foodstuff	963	267

Number of concerns disappearing from the economic field

1924	368
1925	554
1926	856
1927	870
1928	1058
1929	1245

The succesful operation of the holding companies as an instrument of concentration warrants a closer study of its working possibilities, as only through its use is it possible today to have such multi-billion dollars enterprises as the American Telephone and Telegraph Company, the United Steel Corporation, and many others.

The holding company is today the most effective means or device for combining under single control the properties of one or more companies or independent corporations. It grow to be the propelling force which sped up the expansion and centralization of a large part of American industry, the upward trend of American modern monopoly capitalism which was checked only partly by the depression of the last ten years. Its power lies in the buying of control of competing enterprises, centralizing production, combining vast industrial units into one big unit, and at the same time acting as financing agency for the capital requirements of its subsidiaries.

The holding company constitutes generally a form of financial superstructure, a system of parent holding companies, holding companies, and operating companies, thereby merging the credit of all companies with the credit of the top organization for speculation and financial manipulations. The pyramiding of the voting control gives the holding company control over

the subsidiaries with a minimum amount of investment. The following is a practical example of the working possibilities:

If a group of bankers want to get hold of a certain profitable industry, or a concern financial control of some competitors' assets, with, say, a capitalization of 75 million dollars, listed as 25 million dollars in bonds, 25 million dollars par value of non-voting stock (pref.) and 25 million dollars par value common stock, all they have to do to gain complete legal control is to purchase on the market 50% of the common stock at market value-par value. The stockholders of the common stock, as the only voting stock, influence end determine the policies of the enterprise, and are therefore the controlling power of the management policies. The investment of the group interested in the above outlined concern would have been 12½ million dollars. This group would now form a legal holding company by setting up an organization to take over the 12½ million dollar investment. The new "holding company" would issue its own securities based on the credit of the invested money. The issue would consist of 5 million dollars of bonds, 2½ million dollars of pref. stock, and 5 million dollars common stock of the "Holding Company." It then throws the bonds, including the pref. non-voting stock, on the market, with almost half of the common voting stock. The remaining 2½ million dollars of common stock is now the only factor requisite to keep control over the 75 million dollars operating company. The proceeds of the issues sold are paid in turn to the original investors, who now form the controlling group as "holding company" of the operating company. A second holding company may be set up to buy the remaining stocks of the original holding company. This procedure can be duplicated again and again, so that at the end — or top — organization, a 1% investment controls an entire industry and its subsidiaries. It minimizes the investment and increases the power over the whole structure of production.

In the case of the Commonwealth Power investigation, to cite an example, it was found that control over the vast enterprise was accomplished by an actual investment of 9½ million dollars controlling a total of over 239 million dollar assets.

The directors of the holding company are voted into the offices of most of its subsidiaries and operating companies as chairman and trustees. These interlocking directorials are the main control over all matters of policy and finance of the subsidiary companies. For instance, in 1920, 202 officials and directors of the Morgan and Insull Utilities held 1984 interlocking directorates, out of which the following economical groups were represented:

Positions held by the 202 officials

Power Industry	586 directorates
Financial Corporations	527 "
Railroads	158 "
Industry and Commerce	479 "

The holding company establishes a sphere of influence by private paternalism; it not only receives fees from the operating companies based on gross income but in addition, it makes enormous profits on merchandise required by

and sold to the subsidiary companies. It receives, furthermore, fat profits on all contracts let out, finally gets commission on securities, for their issuance, sale and exchange.

The World War had driven production capacity beyond the limits set up on production by capitalist social relations. Suddenly this expansion came to a stop. The demand for investment capital in the production field dropped, it entered the financial channels of trusts and investment fund organizations, "created new profits" by raising the actual value of the existing productive plant value to dizzy heights. Artificial booms and rains of profit attracted money. The financial capital of the holding companies and investment trust organizations mounted enormously. This growth was not due to production operations but to financial manipulations, which increased the number of issues on the markets and thereby decreased the value of the securities. This inflation of the security prices out of proportion to the underlying values was an important factor in the making of the coming collapse of the market. The following figures show the increase of profits made on the market:

Monetary Income from Capital invested in Financial Institutions

1925	27,072,000 Million Dollars
1929	89,668,000 " "

Rise in Profits from 1923 to 1929

Financial corporations	177%
Speculative profits	300%
Non-financial corporations	14%

Industrial capitalism, more or less concerned with the making of profit through production of goods was faced by a finance-capitalist development deriving its profits through the promotion of stocks. This condition led to an increasing exploitation of the American production industry by finance capital. The finance-capitalist group was well represented in the control of non-banking corporations. On January 1, 1932, the Morgan group, typical of many others, sat on the boards of 60 non-financial corporations with a total asset of 30 billion dollars.

The depression beginning 1929 and the years thereafter again accelerated the development of new mergers and consolidations to effect heigher efficiency and greater exploitation. We find at the end of the year 1932 the following prosperous billion dollar giants weathering the depression:

Gross Assets as of January 1, 1932

American Telephone and Telegraph Co.	$4,235,749,000
Pennsylvania Railroad Co.	2,781,800,000
United Steel Corporation	2,279,802,000
Standard Oil Co. of New York	1,827,010,000
General Motors Corporation	1,313,920,000
Electric Bond and Share Co.	1,231,641,000
Cities Service Co.	1,194,450,000

Monopoly capitalism today, in spite of all governmental legislation, restriction, the NRA, the Public Utility Holding Act, etc. of the Roosevelt Administration, is well protected under the democratic form of the United States government. Trustification and monopolization, although opposed and protested vigorously by the weaker competitors, are constantly growing. By instigating the creation of the *National Economic Committee,* the government makes only a democratic gesture which in the end will assure a more fit organization of industry and a profitable functioning at the sacrifice of the smaller capitalist. This is done with the help and aid of the biggest corporation heads and financial giants who have been asked to cooperate with the Committee — the same leaders who have been accused of exerting the sinister influence in destroying the little fellows.

However, while monopolies grow at the expense of free business initiative, with increasing concentration of economic power through financial control over production and distribution of goods, the future of this development points to its own defeat. At one time monopolization meant extra profits and unlimited expansion, but today in the decline period of capitalism, modern concentration and centralization are forced upon the economic structure with growing competition among the monopolistic enterprises themselves. The restriction and regulation of production and distribution becomes more and more difficult. Losing out to the monopolistic competitor means the loss of millions of dollars capital investment. The fight to eliminate the monopolistic competitor in turn affects the stability of the system, sharpens the struggle of capitalism for existence. The government is forced to protect the interests of the big corporations by regulating production, stabilizing prices and giving financial aid to unsound institutions in order to prevent a nation-wide repercussion. In this and other ways, monopoly capitalism has the tendency to prolong the period of stagnation of the production process, but the attempts to restore the disturbed "equilibrium" will preserve and carry over into the next atrificial boom period surplus productive capacity which, in turn, tends to increase the impact of the coming new depression.

The trends of concentration cannot be curbed by governmental agencies; yet, in order to disperse for a while the fears of the smaller capitalists and appease them, the *National Economic Committee* will in its studies and findings try to prove in the end that today "freedom of enterprise and competition" is a healthy factor in American industry. However, a point will be approached where the growing difficulties may require a more rigorous solution. As an economic adviser of the Federal Trade Commission commented while a witness before the *National Economic Committee:*

"...There appear to be symptons indicating that monopoly has so far weakened the body of capitalism that both are in danger of dissolution... the abandonement of free capitalism, here as in other nations, will require the abandonment of democracy... to be followed by some kind of authoritarian social order..."

P. W.

DISCUSSION

On The Impotence of Revolutionary Groups*

The difference between the radical organizations and the broad masses appears as a difference of objectives. The former apparently seek to overthrow capitalism; the masses seek only to maintain their living standards within capitalism. The revolutionary groups agitate for the abolition of private property; the people, called the masses, either own bits of private property, or hope some day to own them. The communist-minded struggle for the eradication of the profit-system; the masses, capitalist-minded, speak of the bosses' right to a "fair profit." As long as a relatively large majority of the American working class maintain the living conditions to which they are accustomed, and have the leisure to follow their pursuits, such as baseball and the movies, they are generally well content, and are grateful to the system that makes these things possible. The radical, who opposes this system and thereby jeopardizes their position within it, is far more dangerous to them then the bosses, who pay them, and they do not hesitate to make a martyr of him. As long as the system satisfies their basic needs in the accustomed manner, they are well satisfied with it, and whatever evils they behold in society, they attribute to "unfair bosses," "bad administrators," or other individuals.

The small radical groups — "intellectuals" who have "raised themselves to the level of comprehending historical movements as a whole," and who trace the social ills to the system rather than to individuals — see beyond the objectives of the workers, and realize that the basic needs of the working class can not be satisfied for more than a temporary period under capitalism, and that every concession that Capital grants Labor serves only to postpone the death struggle between these adversaries. They therefore — at least in theory — strive continually to turn the struggle for immediate demands into a struggle against the system. But beside the realities of bread and butter which capitalism can still offer a majority of the workers, the radicals can submit only hopes and ideas, and the workers abandon their struggles the moment their demands are met.

The reason for the apparent difference of objectives between the revolutionary groups and the working class is easy to understand. The working class, concerned only with the needs of the moment and in general content with its social status, reflects the level of capitalist culture — a culture that is "for the enormous majority a mere training to act as a machine." The revolutionists, however, are so to speak deviations from the working class; they are by-products of capitalism; they represent isolated cases of workers who, because of unique circumstances in their individual lives, have diverged from the usual course of developement in that, though born of wage slaves, they have acquired an intellectual interest, that has availed itself of existing educational possibilities. Though of these, many have succeeded in rising into the petty-bourgeoisie, others, whose careers in this direction were blocked by circumstances, have remained within the working class as intellectual workers. Dissatisfied with their social status as appendages to

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*Beginning with this article, we are devoting space in LIVING MARXISM to a general discussion of problems concerning workers and workers' organizations. The views expressed in this space are those of individual workers and are not necessarily shared by the Groups of Council Communists. We invite our readers to participate in these discussions.

machines, they, unable to rise within the system, rise against it. Quite frequently cut off from association with their fellow workers on the job, who do not share their radical views, they unite, with other rebellious intellectual workers and with unsuccessful careerists of other strata of society, into organizations for changing society. If, in their struggle to liberate the masses from wage slavery, they seem to be acting from the noblest of motives, certainly it doesn't take much to see that one suffers for another only when he has indentified that other's sorrow with his own. But whenever they have the chance to rise within the existing society they, with rare exceptions, do not hesitate to abandon their revolutionary objectives. And when they do so, they offer sincere and sound logic for their apostasy, for, "Does it require deep intuition to comprehend that man's ideas change with every change in his material existence?" Sports in the developement of capitalism, the revolutionary organizations, small, ineffectual, buzzing along the flanks of the broad masses, have done nothing to affect the course of history either for good or ill. Their occasional periods of activity can be explained only by their temporary or permanent forsaking of their revolutionary aims in order to unite with the workers on immediate demands, and then it was not their own revolutionary role that they played, but the conservative role of the working class. When the workers achieved their objectives, the radical groups lapsed again into impotence. Their role was always a supplementary, and never a deciding one.

II.

It is the writer's conviction that the day of the revolutionary party is over; that revolutionary groups under present conditions are tolerated, or rather ignored, only as long as they are impotent; that nothing is so symptomatic of their powerlessness as the fact that they are permitted to exist. We have often stated that the working **class,** which will endure while capitalism lasts, and which cannot be obliterated under this system, can alone wage a successful struggle against capitalism, and that the initiative can not be taken out of its hands. We may add here that after all the conservatism of the working class today only reflects the still massive strength of capitalism, and that this material power cannot be cast out of existence by propaganda but by a material power greater than that of capital.

Yet from time to time members of our own group take to task the group's inactivity. They declare that, isolated as we are from the class struggle as it is waged today, we are essentially mere study groups that will be completely out of touch with events when social upheavals do occur. They state that since the class struggle is omnipresent in capitalism, it behoves us as a revolutionary organization to deepen the class war. But they do not suggest any specific courses of action. The fact that all the other radical organizations in the field, though striving desperately to overcome their isolation, are nevertheless insignificant Marxist sects like ourselves, does not convince our critics of the futility of any action that small groups can take.

The very general statement that the class war is ever-present and that we should deepen it, is made first of all in the assumption that the class struggle is a revolutionary struggle, but the fact is that the workers as a mass are today conservative. It is assumed that the class war aims directly at the weakening of capitalism, but the fact is that, though it serves this ultimate purpose, it is directly aimed at securing the position of the workers within the society. Furthermore, the actual class struggle is not waged through revolutionary organizations. It is waged in the factories and through the unions.

In America today it is being waged by such organizations as the A. F. of L. and the C. I. O., and though here and there across the continent arise sporadic strikes that are outlawed by all the existing conservative organizations and that indicate the form the class war may take when all these organizations are completely

emasculated by the State, these workers' movements are infrequent and isolated today. True, the leadership of both the C. I. O. and the A. F. of L. is conservative, but then so is the membership of both unions. In order to retain their membership and attract more workers to it, the unions must wrest concessions from the capitalist class for them; the workers remain in the unions only because they obtain such concessions through them; and to the extent that they do obtain such concessions for the workers, the unions are waging the class struggle. If, therefore, we are to plunge into the class struggle, we must go where the struggle is being waged. We must concentrate on either the factories or the unions, or both. If we do so, we must abandon, at least overtly, our revolutionary principles, for if we give them expression, we shall swiftly be discharged from the job and expelled from the union, and, in a word, cut off again from the class struggle and returned precipitantly to our former impotent state. To become active in the class struggle means, then, to become as conservative as the large body of workers. In other words, as soon as we enter the class struggle, we can contribute nothing special to it. The only alternative to this course is to continue as we are, clinging impotently to our principles. Regardless of which course we pursue, it is obvious that we cannot affect the current of events. Our impotence illustrates what should be obvious to all: That history is made by the broad masses alone.

The Groups of Council Communists distinguish themselves from all other revolutionary groups in that they do not consider themselves vanguards of the workers, nor leaders of the workers, but as being one with the workers' movement. But this difference between our organization and others is only an ideologic difference, and reflects no corresponding material difference. In practice we are actually like all the other groups. Like them, we function outside the spheres of production, where the class struggle is fought; like them, we are isolated from the large mass of workers. We differ only in ideology from all the other groups, but then it is only in ideology on which all the other groups differ. **Practically** there is no difference between all groups. And if we were to follow the suggestion of our critics and "deepen the class struggle," our "Leninistic" character would become quite evident. Let us assume, for example, that it is possible for us as an independent group to organize the workers of some industrial area. The fact that they have not moved of their own accord without our aid means that they are dependent upon us for their initiative. By supplying the initiative, we are taking it out of their hands. If they discover that we are capable of giving them the initial impulse, they will depend upon us for the subsequent impulses, and we shall soon find ourselves leading them step by step. Thus, they who advocate that we "intensify" the class war are not merely ignoring the objective conditions that make such an act questionable, but are advocating also our leadership over the masses. Of course, they may argue that, realizing the evils of such a course, we can guard against them. But this argument is again on an ideologic level. Practically, we shall be compelled to adjust ourselves to circumstance. Thus it becomes obvious that by such a practice we would function like a Leninist group, and could at best produce only the results of Leninism. However, the impotence of the existing Leninist groups shows the improbability of the success of even such a course, and points once more to the obsolescence of small revolutionary groups in regards to real proletarian needs, a condition perhaps forecasting the approaching day when it shall be objectively impossible for any small group to assume leadership of the masses only to be forced in the end to exploit them to its own needs. The working class alone can wage the revolutionary struggle, even as it is today waging alone the non-revolutionary class struggle, and the reason that the rebellious class-conscious workers band into groups outside the spheres of the real class struggle is only that there is as yet no revolutionary movement within them. Their existence as small

groups, therefore, reflects, not a situation for revolution, but rather a non-revolutionary situation. When the revolution does come, their numbers will be submerged within it, not as functioning organizations, but as individual workers.

But though no practical difference between us and other revolutionary organizations is permitted by the objective conditions, we can at least maintain our ideologic difference. Therefore, where all groups see revolution in the most impossible situations and believe that all that is lacking for revolution is a group with the "correct Marxist line"; where, in a word, they exaggerate the importance of ideas, and incidentally of themselves as carriers of those ideas — an attitude that reflects their careerist proclivities— we wish to see the truth of each situation. We see that the class struggle is today still conservative; that society is characterized not simply by this single struggle but by a multiplicity of struggles, which varies with the multiplicity of strata within the system, and which so far has affected the struggle between Capital and Labor in the interest of the former.

But because we see not merely the immediate situation but also the trends therein, we realize that the difficulties of capitalism are progressively increasing and that the means of satisfying even the immediate wants of the working class are continously diminishing. We recognize that as a concomitant of the increasing non-profitability of capitalism, is the progressive levelling out of the divisions within the two classes, as capitalists expropriate capitalists in the upper class, and, in the lower class, as the means of subsistence, the better to extend them, is apportioned more and more uniformly among the masses, for the sake of averting the social catastrophes attendant upon the inability to satisfy them. As these developments are taking place, the divided objectives of the upper class are converging towards one objective: the preservation of the capitalist exploitative system; and the divided objectives of the workers are, despite the increasing ideologic confusion, converging towards one objective: a fundamental change of present socio-economic forms of life. Then will we, only another strata of the working class now, or, more correctly, an offshoot, really merge with the entire working mass, as our objectives merge with theirs, and we shall then lose o u r s e l v e s in the revolutionary struggle.

But the question may be raised, why, then, realizing the futility of the act, do you band together into groups? The answer is simply that the act serves a personal need. It is inevitable that men sharing a common feeling of rebellion against a society that lives by exploitation and war should seek out their own kind in society, and in their opposition employ whatever weapons fall to their command. Unable to rebel against the system with the rest of the population, they will oppose it alone. The fact that they engage in such action however futile it may appear establishes the basis for the prediction that when the large masses, reacting to the compulsives of the objectively revolutionary situation, feel similarly affected, they too will band together out of the same urgency and they too will use whatever weapons fall to their disposal. When they do so, they will not rise from ideological factors, but from necessity, and their ideologies will only reflect the necessity then, as do their current bourgeois ideologies reflect the necessity today.

This view of the revolutionary ineffectiveness of small groups is accounted a pessimistic one by all the radical organizations. What if this view does indicate the inevitability of revolution? What if it does point to the objective end of a pre-established leadership of the masses. and to the eventual end of all exploitation? The radical groups are not happy with this picture. They derive no pleasure from the prospect of a future where they have no more significance than their fellow human beings, and they condemn a view of such a future as a philosophy of defeatism. But actually we have spoken only of the futility of small radical groups; we have been quite

optimistic as to the future of the workers. But to all radical organizations, if their groups are defeated, then all is defeated, and if their groups are dying, then all is dying. In such pronouncements therefore do they reveal the true motivations for their rebellion and the true character of their organizations. We, however, should find no cause for despair in the impotence of these groups. Rather we should behold in it reason for optimism regarding the future of the workers. For in this very atrophy of all groups that would lead the masses out of capitalism into another society we are perhaps seeing for the first time in the history of society the objective end to all political leadership and to the division of society into economic and political categories.

Sam Moss

BOOK REVIEWS

The State and the Socialist Revolution. By Martov. International Review, New York, (64 pp. 25c.)

Socialists prefer bourgeois democracy to bolshevist dictatorship. They are opposed to proletarian dictatorship even if it were genuine, and not merely a screen for party rule. However, as Socialists they can hardly declare themselves against socialism, and so they wait patiently for the time when capitalism will get tired of itself and change into socialism. This restful attitude induces them to oppose any "premature" attempt to overthrow capitalism. Conditions have to be "ripe" — better still, over-ripe. In the Russian development they found support for their "Marxist position." Here was revealed that it is not possible to jump into socialism until capitalism has played its role to the end. However, according to their views, what could not be done in backward Russia was no longer necessary in advanced Germany, where the Socialists were busy actualizing socialism. For the workers of both countries, the results were the same. The Bolsheviks never hesitated to butcher workers who did not wish to build socialism in the jumping manner; the Socialists in Germany had their Noskes to take care of workers who could not see that socialism was marching gradually. Martov's pamphlet discusses these "opposites," though he doesn't care to consider the Socialists as "realistically" as he does the Bolsheviks. There can be little doubt that if the force of circumstance in Russia would have allowed the Mensheviks to remain in control of the government, then sooner or later, under the existing general conditions, they would have been forced to introduce that dictatorship which Martov denounces as inconsistent with Marxism. It was the bad luck of the Socialists to read the wrong pages in Marx and to look with longing eyes to the "successes" of Western Socialism which gave the Bolsheviks the opportunity to do what could be done, and what eventually would have been done, — if not by a workers' party, then by a recuperated bourgeoisie, — that is, the seizure of power in the Jacobin manner. It was the popular idea that the Bolsheviks were out to make socialism. Martov refused to believe that the Bolsheviks could do what couldn't be done, and he wrote these convincing articles. Martov, arguing against Lenin, points out, with Lenin's arguments that Lenin did not deny, that the use of the slogan "All Power to the Soviets" served merely as an instrument to get his party into power. He then proceeds to prove that soviet power means party dictatorship, which, as a method copied from the bourgeois revolution, can never serve to institute socialism. It is not easy to make arguments out of agreements, and Martov's pamphlet proves this. For instance, Martov thought it wrong to destroy the state, and

Lenin was busy reconstructing the state, but still they disagreed as to the value of the state. Martov, however, thought that it was wrong to destroy the capitalist state, for he proved that Bolshevism could not lead to socialism and implied that it must lead to capitalism. Consequently he admitted that the Bolsheviks were building a capitalist state, — but still they disagreed. Martov was against the soviets, but so was Lenin, and Martov proved it with Lenin's words, so that it becomes quite difficult to see the sense of it all. The Socialists in Germany made use of the soviets to save capitalism; the Bolsheviks to gain power and install state capitalism. Martov is right in pointing out that the soviets have only enabled shrewd politicians to come to power. However, this truth becomes for him an absolute one for all eternity. What are "soviets" anyhow? In our opinion they mean that workers assemble for action and try to run their own affairs. That it was possible to use these soviets for **ends** opposed to the needs of the workers does not do away with the need for self-action, self-initiative, self-organization of the workers, not only against capital, but also against parties and groups trying to make use of these soviets for their particular interests. Call these organizations any name you want; only their functions matter, and the formation of soviets in Russia, of workers councils in Germany, of shop-stewards in England, etc., despite all their limitations and the fact that they could be used by parties, must still be considered the first inadequate attempts of the workers to act for themselves and to find the form of organization in which they can assert themselves. To be for soviets means to reject both the Bolsheviks and the Socialists, including Martov, who after all has no alternative to offer than the education of the masses under bourgeois democracy. The proletarian dictatorship he says, "can only be conceived in a situation where the proletariat has effectively united about itself 'all the healthy elements' of the nation... It can only be established when historic development will have brought all the healthy elements to recognize the advantage to them of this transformation." In other words he accepts a dictatorship when such is no longer necessary, and looks at things from the school-master perspective, that men must change first before they can change society. But how this is possible he doesn't say. His whole argument is based on social conditions no longer existing.

Mussolini's Roman Empire. By Geoffroy T. Garratt. The Bobbs-Merril Company. (310 pp. $2.50.)

The reasons for Italy's imperialism are no different from the reasons for the imperialism of any other nation. Entering tardily upon the imperialistic stage, Italy met great difficulties in carrying out its imperialistic designs. This book, written by an English liberal, describes the rivalries between Italy, France, and England o v e r the possessions in Africa and the control of the Mediterranean. The prelude to the conquest in Ethiopia, the war itself, and its aftermath, as well as the reactions of other nations to this enterprise, are impressively illustrated and interpreted. According to the author, England's policy was one of complicity with Italy in her ventures in Ethiopia as well as in Spain, for the purpose of keeping Italy at least neutral in the event of trouble with Germany.

Spain's strategic position has become immensely important since the development of the submarine and the bombing airplane. She is now the best c o u n t r y from which to "squeeze" both France and England. These are, in Garratt's opinion, the reasons for the German-Italian invasion in Spain. "To Italy," he writes, "intervention opened possibilities of the Mediterranean at last becoming a Roman Sea. To Germany, it meant the chance in any future war of making an effective blockade of England, as well as of forcing

France to keep large armies on her southern frontier." However, if England's acceptance of Italy's Ethiopian conquest was regarded as a means of isolating Germany, this policy, as well as the other policy of supporting Germany's imperialistic drive to isolate Italy, has so far not been successful. The Rome-Berlin axis, still intact, forces England to make further concessions. To break this combination by force, if not by any other way, remains essential to England. However, in Asia also, England faces a showdown with Japan, and her reluctance to enter a European war is not at last determined by the Asiatic situation. It is not possible to assume with Garratt that conservative and pro-fascist elements in England, out of their hatred for democracy and "leftism," betray their own national interests by playing into the hands of Italy and Germany. So far England simply continues its old policy of divide and rule, and waits for a better opportunity to break up the new European combination that is able to challenge its supremacy. The possibility of war exists at any moment. The change from retreat to attack might after all be forced upon England. However, this change will indicate anything but a return to democracy and the end of "betrayals."

Apostles of Revolution. By Max Nomad. Little, Brown & Company. (467 pp.; $ 3.50).

This book continues the series of short biographies that Max Nomad began with his previous book, **Rebels and Renegades.** This time he deals with Blanqui, Marx, Bakunin, Nechayew, Most, Makhno, and Stalin. All of these biographies are interesting reading.

Nomad describes as "the chief object of his work" the explanation of the ever-recurring tragic failures of all revolutionary mass movements," which he finds "in the inherent contradiction between the interest of the leading group which is striving for power, and those of the uneducated rank and file yearning for a better share of the good things in life; and in the inexorable logic of every revolutionary struggle, which necessarily results in the establishment of a new aristocracy, regardless of the democratic, socialist, communist, or anarchist ideas professed by its champions... The essence of **all** revolutionary struggle is the enthronement of a new privileged minority."

As the individuals and movements that Nomad deals with were and are acting in capitalist society, he can easily demonstrate that they were neither able nor willing to free themselves from capitalistic methods and aspirations. Their participation in bourgeois affairs, changes, movements and revolutions, necessarily imbued them with capitalistic characteristics. It is not difficult to show that those individuals and movements were not consistent as regards their proletarian aspirations. However, history is a wide field, and though Nomad deals with many of its phases, he does not deal with the most important and therefore does not understand the reasons for the admixture of bourgeois and proletarian elements in the heroes he selects. For example, the limitations of Nomad's historical writing may be seen at once if only compared with books like Arthur Rosenberg's "Democracy and Socialism," wherein the author deals also with figures like Blanqui, Marx and Bakunin but where he explains them more out of the whole social development instead of out of their personal desire for power. Words and actions of these men which are almost incomprehensible in Nomad's text become understandable in Rosenberg's descriptions. What appeared in Nomad's text as the chauvinism of the German Marx comes to light as an attempted realistic policy of coordination of many national and revolutionary upheavals for specific political goals expected to further world revolutionary interests. The emphasis that Nomad lays upon the

personal aspirations of his Apostles distorts history and is intended to serve only Nomad's special interpretation of history.

Individuals are, in the course of their lives, bound to make proposals and suggest policies not always in keeping with their general philosophy. If such "careless" statements are cited in an organized fashion, they can be made to serve all purposes. However, such "revelations" explain rather the psychology of the collectors of these statements than the characters of the men who made them. History is something more than evil character or the will to p o w e r. Consequently, Nomad's program for the workers to "mistrust both his masters and his emancipators," may be correct, but it is not enough to solve their problems.

To explain fascism or bolshevism as the result of the aspirations of power-hungry intellectuals, to see history as the transformation of rebels into renegades and no more, corresponds to the bourgeois conception of history as a mere succession of states and leaders. The masses are here only the tools with which individuals and groups work to satisfy their own interests. This absolute idea of Nomad's is only a reflection of the absolute idea ruling bourgeois society that all human activity, is determined by the desire for profit. Like other bourgeois ideologists, Nomad, in looking backward and forward, is able only to rediscover the essential characteristics of present-day society in all past and future societal forms.

The Origin of the Inequality of the Social Classes. By Gunnar Landtman. The University of Chicago Press. (44 pp.; $ 5.00).

Landtman endeavors to examine the various circumstances which have contributed to the rise and development of social differentiation. First, he deals with the incidence of inequalities through biological factors, — sex, age, and personality. Then he follows the emergence of privileged classes, — the nobility, the priesthood, and the traders. The origin of slavery, intra-tribal as well as extra-tribal, is a l s o discussed in great detail. Finally the origin of government is investigated.

On the cover of the book it is stated that the author denies that economic factors are to be blamed for the forging of class distinctions. However, we could not discover any material in the book justifying such a statement, or the statement itself. It is true only that Landtman is not able to distinguish between anthropological and economic categories and is also for that reason not clear as to the relative importance of the different factors involved in the formation of classes. The book is, nevertheless, by virtue of its rich empirical material of great interest. It contains an exhaustive bibliography.

American Labor. By Herbert Harris. Yale University Press. (459 pp.; $3.75)

Unions of Their Own Choosing. By Robert R. R. Brooks. Yale University Press. (296 pp.; $3.00).

As regards readability, Harris' "America Labor" is one of the finest volumes yet published on this subject. He begins with a general review of the origins of the American labor movement. A number of misconceptions regarding ideology and practice of this movement are cleared up. Things already known appear in a new light by being considered in their relations to present-day problems. The peculiarities of the American labor movement are explained out of the peculiarities of American capitalism, as for instance, the identification of proletarian with agricultural problems during the frontier period, and the rapidity of the capitalist development since the Civil War. The second stage in the

history of labor begins after the Civil War and achieved expression in organizations such as the Knights of Labor, superseeded later by the A. F. of L. The struggle between labor and capital centered around wages and hours. The greatest part of the book deals with the history of selected unions such as the United Mine Workers', the Carpenters', the Newspaper Guild, the Ladies Garment Workers Unions, Railroad Unions, United Automobile Workers' Union, and the Textile Workers' Organizing Committee.

Harris makes clear that the main problem of today is the labor problem. However, his work does not do full justice to all the various forms in which the labor movement appears. His selections are not entirely representative of all streams within the labor movement. He fails to realize fully the capitalistic characteristics of the A. F. of L. and C. I. O. Unions, nor does he pay sufficient attention to the attempts made by the workers to fight the bureaucratization and capitalization of "their" organizations.

His history includes the present—the sit-down strikes, the C. I. O., and the modern "changes" in labor relations. The relationship of spontaneous activity to organizational exigencies is demonstrated by actual occurrences. Harris, in judging the results of the struggles between capital and labor, is inclined to suspect that the latter has gained the upper hand, at least as regards the "right to organize." The desire for security replaces the traditional capitalist ideology; this Harris maintains is a new ideology reflecting recent changes in the social structure of society. Though his reformistic hope will undoubtedly be shattered in the coming class struggles, we wish to emphasize however, that as a whole his book is so instructive that no worker should fail to read it.

Brooks' book deals with questions of collective bargaining and the National Labor Relations Board. The latter institution Brooks welcomes as an important instrument for the further democratization of industrial relations. He demonstrates the "impartiality" of the decisions and the character of this organization which is designed to minimize capital-labor friction. Brooks also deals with the quarrels which have arisen between the A. F. of L. and the C. I. O. in regard to the N. L. R. B. The need for the N.L.R.B. he deduces from the development of industry which destroyed the direct relation between employer and employee. To safeguard economic peace this new arbitration institution is needed to solve the problems arising between capital and labor. The N. L. R. B. is at the same time an expression of the growing governmental influence on socio-economic matters, and Brooks thinks that this would serve democracy quite well though many see therein trends towards fascism. The book is worthwhile reading since it shows very clearly the functions of such institutions in securing capitalist society.

The New Deal in Action. By A. M. Schlesinger. The Macmillan Company. (47 pp.; $ 0.60).

This pamphlet is a continuation of the authors **Political and Social Growth of the United States** to the special session of Congress, November, 1937. It gives an useful outline of the relief, recovery and reform measures of the New Deal, as well as of the labor movement and American foreign policy under the Roosevelt administration.

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International Council Correspondence

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INTERNATIONAL COUNCIL CORRESPONDENCE,

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This magazine, published by the Groups of Council Communists, consciously opposes all forms of sectarianism. The sectarian confuses the interest of his group, whether it is a party or a union, with the interest of the class. It is our purpose to discover the actual proletarian tendencies in their backward organizational and theoretical forms; to effect a discussion of them beyond the boundaries of their organizations and the current dogmatics; to facilitate their fusion into unified action; and thus to help them achieve real significance.

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SECURITY WITH 403's

WHAT YOU OUGHT TO KNOW ABOUT RELIEF AND WPA

We are the worthless ones, the lazy ones, the corrupted ones. We are the chiselers, we who enjoy the luxury of relief diets. We are the careerists, who rest on shovels all day long, who never want to give up the paradise of WPA. We are too lazy, unless we are stimulated with 30 day layoffs, to look for work. We have been growing fat on a budget that is 35% underweight, so now we must labor 30 hours a month. We are the reason for the depression; without us the National Budget would be balanced, the government, and the landlords, and the businessmen would be very happy. Since we took the pauper's oaths to take relief and the errand-boy wages we get on WPA, we must also take these slanders, of which the New Deal has a far greater surplus than the so-called food which is supposed to balance our budgets.

Yet, back in 1933, we did not suffer these insults, we were then the forgotten men to whom Roosevelt promised pre-depression security. The Democratic politicians offered the workers in exchange for their support, a program which would be a new deal, which would consider not only the profits of the few, but the welfare of the many. You suddenly had a "right to work," and a "right to relief" — when work was not around.

THE DREAM WAS SHORT

They gave you work-relief. But — with all the high-sounding security propaganda — you were working, that is some of you, for less than $55 a month in some parts of the country, and for less than $26 in other parts. However, it was "better than nothing," and you were still quite sure that you

would not be forever on WPA. Some day you would be able to land a real job, with real pay.

And into the relief-business, "order" was brought in. A real relief budget was figured out for you — by people who were sure never to be in need of relief. The budgets were different in various sections of the country. But they were all alike in so far as none allowed enough to live on. The lowest meant about $10 a month, the highest about $40 a month for a family with a few kids. Rent had to be paid from this, gas, light, clothing and often water.

O yes, there are real budgets; however, the budget itself gets leaner and leaner. They gave you, for instance, in Illinois, 95% of the budget figured on "basic needs." They cut it down to 85%, then to 75%, then to 65%, and now they announce they will cut it to 55%. You have the budget, but less to eat than before. To this budget, which you never get, "surplus commodities" are added with a generous flourish. They turn out to be a substitute for real relief, for cash relief. They give you flour, but you don't have fuel, or often not even a stove, with which to bake. They give you butter which melts under your fingers and stinks into your nostrils, for you don't have the ice to prevent it from rotting away. They give you some eggs which often smell no better, and serve you oranges without juice so that your kids may have something to play with in the alleys. And even of these inferior commodities you do not get enough. What is supposed to last you two weeks is gone in three days.

You are supposed to pay rent which has been calculated into the budget. But 35% of the budget, is left in the relief treasury, and you still must pay rent out of what you do get. You can't afford to stall the landlord, for if you are evicted you have a hard time to find another hole to park your belongings, for people on relief are not wanted. You use almost the whole relief you get to pay the landlord, to keep a roof over your head, and you starve yourself slowly but surely with the meager remainder of the relief allotment.

THE WONDERS OF WPA

The WPA workers have so far fared little better, and with new attacks upon the "living standards" of all who must have government aid in order to exist, their lot gets worse and worse. When we on WPA were at one time employed in private industry, we averaged between $25 and $50 a week. But today the security wage scale in Illinois, for instance, varies from $13 to $23 a week. Just as there is little security in the wages, there is little security in the job itself. There are unexpected shifts from one place of work to another; many workers, laid off, do not know when they will ever be called again, or what sort of work they will be needed for. Thousands of workers are thus shuttled around from one project to another, and overnight projects are discarded for "lack of funds," throwing thousands out of work, back to the greater misery of the relief budget.

Silent and patient, those on relief and WPA have taken cut after cut, lay off after lay off. As long as we could just hold on. Things have to change... they must change...

They have changed — sharply and critically, for the worse. The New Deal, Congress, the President, which the unions and the *Workers Alliance* said would take care of us, have clearly defined what they mean when they speak of social security, government economy, balancing the budget. What they mean is explained by the WPA bill made law by the last Congress. What they mean is made clear by new state laws revising the administration of relief.

The WPA bill cut down money for WPA by one-third. This forces the firing of one million WPA workers. The skilled WPA workers, who in exchange for the support of their unions, had previously the benefit of shorter hours, so that the hourly rate was higher for them than for the unskilled workers. Now they must work 130 hours a month, the same as anyone else. The most they can get under the new system is 73.33 cents an hour, far below the union hourly rate. The masses of unskilled workers are given a wallop in the stomach by another provision of the bill. This one is intended to level out regional differences in wages. Those of us in the North will be cut, those in the South are supposed to be raised. The result will be a much lower average rate for the entire country.

Most important of all provisions in the new law, is the one which lays off every one of use on WPA who has been on it for 18 months. Called the anti-careerist law, it affects none of those government bosses who do make a career of WPA: the fat-salaried administrators, supervisors, politicians. But those of us who are accused of having the idiotic wish to hold a $13 week job all their lives, will now be driven into the streets, supposedly to seek private jobs. After 30 days of being entirely without an income, they will not be rehired but must apply again, and wait together with the millions of others already on relief, already certified for WPA employment. They will get no new jobs, they will get only the old relief-station run-around. All that is accomplished is the cheating out of weeks and even months of relief for those laid off.

To sum up the whole situation: Millions of us on WPA will be fired and are now being fired. For those still on the projects, their hours are lengthened,their wages cut. Those of us on relief are affected by the new state relief laws. In Illinois, we must give 30 hours a month work, theoretically at 50 cents an hour, doing whatever labor the government asks of us. But the budget-business comes up. The joker is, this is not an extra $15 that we earn. This money is deducted from the slashed up budget that we have. In short we get nothing, but we are forced, under threat of complete starvation, to give the government 30 hours work, for being permitted to live. And the type of work? What a wonderful thing it will be, for the government to have strike-breakers so cheaply!

WHY DO THESE THINGS HAPPEN?

Why can't something be done about this increasing misery which gets harder and harder to bear? Something can be done, say the union leaders and the politicians. Put the right people in the government, and we will intercede for you. Something can be done, says the *Workers Alliance*. Pay us dues, and we will collar the congressmen, which we told you to elect, in the lobbies of Washington. You listened to all of them. You helped to elect the Democratic administration twice. They made glorious promises in 1932, because they were afraid of you. They were afraid because there were millions of you out of work, millions of you so driven to despair that you made trouble, you were restless, hundreds of thousands of you milled in maddened throngs around the city halls and capitols, shouting for relief and work. There were far too many of you — and they lost control over you. So they had to pacify you, and in telling you what you wanted to hear, they used you. Programs were offered, slogans invented in order to get the masses behind the Democratic Party and the New Deal. The WPA came, and the change from charity to relief, because your support was needed to put an end to the chaos of 1933, to secure and re-organize society for further profit production.

But when profits dropped again in 1937, when the new depression got suddenly worse, when the government found its spending money on relief and projects, didn't really help to keep profits up for good, it decided, like all previous governments, that it no longer paid to throw its money away on cheap human lives. It resorted to the old wage cutting methods, and you see what happens to your social security on relief and WPA.

And not only are *your* wages cut. The workers everywhere are forced to take a wage cut, so that the bosses may keep their profits. To bring wages down, to make the workers slave harder, the weapon of unemployment has to be used to make the workers submit. But they have to be made afraid not only of losing their jobs, but also afraid of relief and of WPA. So they make unemployment worse than it already is. To cut wages then, means to cut the wages of WPA workers also. To cut WPA wages, implies the cutting of relief as well. This in turn means savings for the capitalists as it reduces government expenditures. It means higher profits, or at least permits them to hold on to what they have. You suffer so that the rich may keep what they have.

DIVIDE AND RULE

Though each attack upon the conditions of work or the workers standard of living is eventually directed against the whole of the working class, nevertheless, at first, groups of workers are singled out to prevent the erection of a class line of defense. For instance, today, the authorities claim that the wage rates in the building industry are too high, and prevent a real business revival. To help bring down those wages, the skilled WPA workers are attacked first. And so only a selected group of WPA workers struck back, and was defeated

at the start, for they remained isolated. The rest of the workers did not see that after the defeat of this group another will be picked for wage cuts, and that, in the long run, all wages will have been reduced.

The relief authorities are just as clever. Each state has its own relief rules, often even each city handles the relief business in its own separate manner. Relief will be cut here and there, not everywhere at once. The defense of the workers is broken up in a number of small insignificant skirmishes. When, for instance, cash relief was introduced in St. Louis, the amount to be given was reduced at the same time. The Chicago relief authorities waited some weeks to watch developments in St. Louis. The isolated relief clients in St. Louis did not find the nerve to object. Then relief was also cut in Chicago. At the conference of relief officials which made the decision it was happily pointed out that the situation in St. Louis proved that it is possible to cut relief without any trouble if only accompanied with some new features appearing reasonable to the clients. If success accompanies the trial action somewhere, the authorities proceed to act at the next place, later to return again to the first. In the long run all are taken care of.

These methods are age-old and proven. And if the workers do not learn to see that an injury to one is an injury to all, if they are not able to establish at each attack upon them a broad front of defense incorporating hundreds of thousands of workers, it is difficult to see how they could ever win their battles.

AND YOUR ORGANIZATIONS?

But what are your organizations, your unions, your parties, your *Workers Alliance,* doing to defend your interests against the government attacks? They have lobbyed in Washington ever since their man — Roosevelt — was elected President. They have succeeded to pay their leaders and organizers substantial salaries, but their lobbying did not prevent the passing of the WPA laws under which you now suffer. They could not make undone the reductions of relief appropriations. They turned out to have served not you, but those who do now attack you openly. All they ever did was ask for your dues, call you to silly demonstrations before state and city legislations, demand the writing of post-cards filled with slogans to the different authorities. They have not established the workers solidarity which is so much in need. They were not even interested in preparing you for the struggles you are now facing. They were only interested in the future of certain political parties, certain groups of union bureaucrats, they were only interested in the organizers, not the organized.

It is no wonder then, that these organizations have nothing to say to you at the present crisis. Certainly they do protest against the new relief and WPA measures, but they do no more. They do not want to do more, they could not do more, even if they wanted to.

The unions, which now protest against the doing away of the prevailing wage scale, have neither the power nor the will, to back up their words with

action. The union officials know quite well that in times of depression and large-scale unemployment they cannot operate against, — b u t only with the government. And what the union leaders know, the other labor leaders know quite as well. Under conditions as they are, they prefer to swim with the stream. Interested only in group problems, engaged only in serving their own organizations and their bureaucracies, they cannot be interested in es-tablishing a front of struggle strong enough to force the authorities to re-consider their present decisions. They hope for some compromise solution, for some bargain, through which the most immediate interests of the unions in question are protected. They are engaged in political horse-trading, not in the struggle of the unemployed.

When Roosevelt announced that there can be no strikes on WPA, as there can be no strikes against the government, William Green hurried to state that the settlement of the issue "lies with Congress rather than through srikes on WPA projects." John L. Lewis, too, came out against the strike and said he was in favor of ammending the Relief Act by legislative means. The *Workers Alliance,* incorporating unemployed and WPA workers, declared repeatedly that "We have not called any strike and are not now calling strikes of WPA workers." They are also taking steps to appeal to the President.

At a moment when in many cities, like in Minneapolis, workers battle in the streets against the present WPA policies, when workers march out of projects and declare strikes, not one organization took up the case of the work-ers, nor attempted to help them win their demands. The *Workers Alliance* tried to wiggle itself out of the situation by advising not to strike but only to *protest* the provisions of the WPA bill. The *Chicago Daily Record* of July 18th, speaking for both the *Workers Alliance* and the *Communist Party,* even now tries to help these very same people which are responsible for the new policies. At a time, when thousands of workers were thrown out on the streets, this paper wrote:

"WPA workers can note today some progress in their battle for .decency and justice. True to its course, the New Deal has taken up the cudgels for revision of the un-American Woodrum Act (the WPA bill)... The New Deal Congressmen.. are doing all in their power to remedy the injustices that have been committed by the Hoover-Garner gang. Every unit of the labor and progressive movements is now compelled to extra energy in support of what the New Deal is attempting to accomplish."

For a time the capitalist propaganda hammers against the "errors" of the New Deal. It has its purpose. The fiercer the attack upon the New Deal, the easier it is for the New Deal politicians, to change their policy in the direction of greater wage cuts. *Apparently* pressed against their will to to do so, they may attack the workers without having to sacrifice their useful popularity among them. The trust of the great masses, though already waning, is still great enough to serve the Administration. As long as it is possible to make the masses believe that Roosevelt is still figthing their battle, they may be induced to hope that after all, and despite all temporary set-backs, he might be bound to win. Even Joe Louis has hit the canvas.

The swindle of the *Communist Party* and the *Workers Alliance* that only the "reactionaries" are responsible for the unpopular acts of the government, serves the present Administration well in its attempt to make the masses kiss the hand which hits them. This attitude on the part of these organizations is practically scabbing against the striking WPA workers, and sabotage of the defense of the unemployed against relief reductions. Among your enemies today are not only both the reactionaries and the New Dealers, but also the New Deal supporters in your own ranks. To fight, then, against the new measurements and to have a chance to win the fight, most of all it is necessary to recognize the fact that you cannot strike and win with the existing labor organizations, but only against them.

WHAT IS TO BE DONE?

Perhaps those labor leaders are so reluctant to enter your struggle, or help you to win your demands, because they may know that such a fight will be without success. Maybe they think that your demands cannot be granted, that your power is not sufficient to enforce anything, that you better submit not to be worse off than you are now?

The truth of the matter is, however, that they consider themselves already as part of the law making machine, that they are politicians thinking in terms of politicians. They do not even want anything that cannot be gotten in the approved legalistic ways. They must get something for you, so that you may recognize their importance to you. They cannot stand the very thought, that you may gain something through your own efforts, for this would reveal their superfluity. Whatever you get, you have to get it through them or not at all.

You exchange your vote with your alderman's small favors. The politicians and labor leaders want your support for their own purposes as politicians and labor leaders, they need something to give you in exchange. The bargain would be ended if you should need them no longer. They must prevent real action on your part to satisfy their own interests. And because, at present, it is not possible to get results through the medium of your politicians, you get no results at all, you are left alone. And when you are not left alone, you are prevented from doing something for yourself.

Whatever is produced in society by the workers is divided, one part to the capitalists, another to the workres, another to all the parasitic elements lingering between capital and labor. The order in which the national product is distributed is determined by the strength of each group participating. Whatever there might be, much or little, there are many possible ways of distribution. If you struggle hard enough you may succeed to force the capitalist's to sacrifice part of their share in order to keep you quite for awhile. If you don't fight for a greater share, or to keep the one you have, the capitalists will attempt to and succeed in diminishing it. All depends on what you are doing.

Your present situation is nothing really new. There were relief crise before, there were interruptions and changes in the works program before. But

sometimes you did succeed to hinder the carrying out of new and adverse policies on the part of the authorities. In 1933, in Chicago, for example, the relief authorities tried to make a cut of about 50% in relief. At that time there existed enough opposition in you and in the labor organizations which were not as completely under the sway of capitalistic forces as they are today. Thousands and thousands of you marched down to city hall, you flooded the business sections of the city with your misery, you stopped everything with the demonstration of your plight. You rebelled at each relief station against the treatment given to you. There were too many of you to be driven back by mere brute force. There was not enough involved for the authorities to provoke a real battle. You succeeded to change the relief order within 24 hours, you forced them to take the cut back.

What was then possible is still possible today. But you must be just as militant as you were then. It is more difficult today, because the authorities have learned to handle you better, and because your labor leaders and your political organizations will oppose such actions today with no less vigor than the relief authorities themselves. Such powerful demonstrations, such direct action, has to come now by virtue of your own initiative. You must bring them about! No one will help you; you must help yourself!

As there exists today no organization ready to fight with you, you must create your own organization to muster the greatest force possible, for your enemies are many and they are very powerful. You cannot win anything unless you create a power equal to theirs. Or at least strong enough to force them to concessions to avoid a struggle. It is not difficult to build such organizations. You only must have the will to do so. You do not need at all to bother about elections, officers, rules of order, dues and meeting places. Each relief station is already an organization. Each WPA project is an organization. You only have to speak to your fellow workers, council with them, arrange things with them, elect out of your own ranks committees of action, your own leadership.

Your acting as your own leadership will have the very good effect of concentrating your fight to one for your demands only. Stick to questions which deal with problems affecting you, and you alone. The government wants to level all wages, make them all equal. Very well, we must fight then to raise all wages to the level of the higest. At least, this is the surest way of preventing them from being cut. We must get all reliefers to refuse to work for nothing. More, we must struggle not only for the restoration of the full budget, but for an increase over the original budget.

How can we effect the recognition of our demands from the government? By going directly to the relief stations, but no longer in the old submissive way. Right now they let you come down to the relief stations once a month. Let us go there from now on every single day. Embarrass the authorities with your misery. We must make the government listen to what we have to say. To do this, we don't have to go to Washington and Springfield. The government has its eyes and ears much closer to us, right in our neighborhoods, in the relief stations themselves.

They will not be able to keep us away from the stations if we come in sufficient numbers and proceed to all stations. Our coming everyday will be very disturbing to the supervisors, it will force them to promise action on our demands. But after we receive these promises, we must redouble our activity, to forestall the run-around they surely will have in mind to give us. From our friends and those who are fighting with us, we must elect flying squadrons to go to other relief stations which are not as yet incorporated in the general activity. Groups of us, of the unemployed and fired WPA workers, must go around to the different projects and start talking to those still working, to interest them in our struggle, to make them go along. Delegations at different relief stations can call together a house-of-delegates where representatives of relief stations and WPA projects can meet to decide on further and coordinated action.

Organize once more the prevention of eviction for non-payment of rents. Eat up your rent money, first fill your belly before you hand over a nickel to anybody else. They cannot evict a hundred thousand relief families, they cannot do it as it would cost them more than would the restoration of the budget. And most of all start thinking yourself about ways and means to get the unemployed and WPA workers acting together. Think of ways and means to develop the organized strength necessary to enforce your wishes. Listen to your fellow workers as you talk to them, make sure that those who suggest one way or another, are sharing your plight, leading your life, are in the same need as you are. Don't listen to anybody, never elect anybody in any council, who is not on relief, who is not exploited on WPA. Ignore all the professional labor leaders and politicians. They cannot help you, they will not help you. Listen only to the voice of your own necessities.

We can here only say to you that it is possible to better your life, and that to do so is your own job. We can here assure you only of one thing, that is, that you will get nothing but further misery unless you take your fate into your own hands. It is up to you, by intensive labor and great energy, to form out of all relief stations an organizational network capable of arousing great masses for common actions. It is up to you to build these organizations. Before you have built them you will not be able to do anything — after you have built them you have a weapon in your hands with which to start to battle. Unless you begin today with this work, as outlined here and as it will be elaborated and modified through your practical experiences, you will have to swallow the bitter pill of further cuts and greater exploitation. Don't wait for anybody's help, simply get going. You are the power!

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ON THE ECONOMIC THEORY OF SOCIALISM

Last year, under the title that heads this review, the University of Minnesota* published a book which, besides a paper on **The Guidance of Production in a Socialist State** by the late Professor Fred M. Taylor, presented, with a lengthy introduction by Benjamin E. Lippincott, Dr. Oscar Lange's contribution to the economic theory of socialism. This paper has met with wide acclaim and has received a great number of favorable reviews in scientific and popular journals.

Lange's theories deal with a society where the means of production are controlled by the government; where, in the words of Professor Taylor, "the state maintains exchange relations with its citizens, buying their productive services with money and selling to them the commodities which it produces** (43)." He deals with a "socialist society in the classical sense." Dr. Lippincott informs us, which "socializes production alone, as contrasted with communism, which socializes both production and consumption (9)."

Whatever made this concept of socialism "classical" we will not now inquire; however, it does seem to us that the assumption of a system based on two divergent principles in the two economic spheres is possible only as theoretical blueprint, while in reality both production and distribution of necessity follow the same economic principle. "The distribution of the means of consumption at any period is merely the consequence of the distribution of the conditions of production themselves***" One cannot socialize the one without socializing the other.

The main characteristics of the conditions of production consist in the separation of the workers from the means of production, by a complicated order of social control which permeates the whole socio-economic system of production and consumption. Its fundamental relationship is the wage contract and its final sanction the police and military power at the disposal of the controllers of the means of production. This system of class control, once it exists, can, until it is overthrown, only reproduce itself, — unless one is to assume that out of ethical considerations the class controlling the means of production eliminates of its own accord its privileges bound up with its control position, i. e., eliminates itself as a class, and, with that, eliminates also the form of production which divorces the workers from the means of production. Unless one believes that socialism will be handed down to the workers by the authorities, he must, if he wishes to remain realistic, admit that with the state control of the means of production and with labor power as the only saleable possession of the workers, the distribution in society will reflect this class relation in production, as it does in Russia, and as it continues to do in fascist, and democratic countries.

Economic capital-labor relations have their basis in existing class relations. Because of this class relation, the means of production appear today as constant capital, and labor power as variable capital. Because of this class relation, there exist all the categories with which the economists work today. All concepts such as value, price, money, rent, interest, factors of production, etc., belong to present-day society and cannot be transfered to another societal form. However, by regarding "socialism" as no more than the extreme concentration and centralization of the means of production in the hands of the State, Lange can

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On the Economic Theory of Socialism. Government Control of the Economic Order. Vol. 2. Minneapolis 1938. (143 pp.; $1.75)

**All figures in parenthesis refer to pages of the book under discussion.*

***K. Marx, Critique of the Gotha Programme. New York 1933, p. 32.*

develop only a theory of "socialism" of which it is possible for Dr. Lippincott to say that it demonstrates that "the main theories of the capitalist orthodox economists would apply equally well to a capitalist and a socialist economy." It may even be considered, he continues, "whether socialist institutions might permit a closer approximation to the capitalist economists ideal economy; as theoretically this would certainly be the case (7)".

Lange deals with problems which are the exclusive property of a commodity producing society, problems which depend upon the rule of commodity fetishism, a rule which he doesn't want to end but only to set free of some of its earlier and now seemingly obsolete characteristics. When he speaks of "socialism," he, though he may not realize it, is actually advocating the emancipation of capitalism, for he wants merely to continue by conscious interferences in the economic mechanism what this mechanism can no longer sufficiently perform alone. In his opinion, "Only a socialist economy can fully satisfy the claim made by many economists with regard to the achievements of free competition (107)."

Lange introduces his paper with an ironical tribute to Professor Mises, of whom it is said that his critique of socialism**** did more to further the cause of his adversaries, because he "forced the socialists to recognize the importance of an adequate system of economic accounting to guide the allocation of resources in a socialist economy (57)." By "allocation of resources" is meant making the most effective use of raw materials, instruments of labor, and labor power.

Marx and Engels* have considered it a simple matter for society to compute the number of hours of labor concealed in the products and services. They maintained that there are no economic or other reasons why a socialist society should express these labor quantities, which it directly knows, in a third product (money). Such a society will therefore ascribe to the products no "value," although it must know how much labor is required for the production of each use object. In the Marxian concept of socialism, there is no market, no value, no price, no money.

However, Marx's references to labor time as an accounting unit and measurement of production, distribution, and reproduction, in so far as measurements are necessary, found little interest in the socialist movement. For the latter, no problem seemed to exist. The socialists looked upon the development of a marketless and moneyless economy as an automatic resultant of state control of production and distribution. The nationalization of industry, the centralization of administration, and the dealing with the products in terms of use values with the aid of statistics, seemed to many a sufficient guaranty for the workability of the new society. Some like O. Neurath, said that the "doctrine of socialist economy knows but a single economist, namely, society, which, without computation of gain and loss whether in metal money or labor money, but on the basis of an economic plan and without the positing of an accounting unit, organizes production and distribution in accordance with socialist principles.**" Others, like O. Leichter,*** professed allegiance to labor-time accounting, but restricted it to production; in regard to distribution, the higher administrative authorities would compute and distribute the individual portions upon the basis of the physiology of nutrition. The majority had no answer going beyond Marx's and Engels' suggestions.

None of these theories, according to Mises, were able to demonstrate the possibility of economic calculation within their systems. In Mises' opinion, only private ownership of

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****Ludwig von Mises, Socialism. New York 1937.*

**Wirtschaftsplan und Naturalrechnung, p. 84.*

See Engel's chapter on Socialism, parts 3 and 4, in his Anti-Duehring.

***Die Wirtschaftsrechnung in der sozialistischen Gesellschaft.*

the means of production and the market mechanism allows for objective standards of national orientation of economy. Without adequate value calculation or substitute for the market mechanism, he argued, a socialist economy is not worthy of consideration.

"Official Marxism" found no answer to this critique. Kautsky, for instance, admitted that he could not see how it would be possible "even with the most enormous and complete statistical apparatus, to evaluate the commodities according to the labor contained in them****" so that labor-time accounting could replace the historically established price system. However, to determine how much labor time has been consumed in the productive process by each single product provides no difficulty for any enterprise, and it is not difficult either to find the **social average labor time** for a single product by combining the data of all enterprises with a different productivity in the same industry, a process which leads to the possibility of a conscious regulation of production and distribution.

The first serious attempt to show that labor-time accounting in the way outlined by Marx and Engels can very well serve a socialist society, was one of the theoretical achievements of a worker's movement which stood in strict opposition to all forms of workers' exploitation, including those forms which appear under the name of "socialism."* With this exception, Lange is quite right in stating that the "writers of the Marxist school were and are quite aware of the necessity of the price system in a socialist economy (141)." "The difference between the traditional Marxist and the modern position on the problem" is then "but a difference as to the technique applied," and in Lange's opinion, "Only the technique provided by the modern method of marginal analysis** enables us to solve the problem satisfactorily (142)."

****The Labor Revolution. New York 1925 p. 267.*

**See "Communist Production and Distrubution," Living Marxism, No. 4, pp. 109-114. Also "What Communism Really Is", publtshed by the Groups of Council Communists, Chicago 1937. And "Grundprinzipien kommunistischer Produktion und Verteilung. Herausgegeben von der Allgemeinen Arbeiter Union Deutschlands. Berlin 1930.*

***In opposition to the objective labor theory of value, the marginal utility theorists constructed a subjective, psychological value concept, which became popular with the bourgeois economists because it seemed to justify existing class and income differentiations. Value and price is here determined by demand. The demand for a commodity is determined by the utility it has for the individual buyer. This utility is largely determined by the scarcity of a commodity or service. The satisfaction from the utilization of an object declines progressively with the greater abundance of the object, till the maximum desire of its user is fulfilled. For example: To a hungry man the first piece of bread possesses the greatest value. If he keeps on eating his hunger will slowly disappear till he is entirely satisfied. Each additional piece of bread means less to him. Finally, whatever bread remains uneaten will at that moment have no value for him. The last piece of bread which he still desires or the "final degree of utility," economists call the "marginal utility." This marginal utility was ascertained by dividing the utility of the final increment by the existing quantity of the final increment. This marginal utility is to determine the exchange values, as the consumers will compare the final degrees of utility of different goods and choose according to their individual needs and desires. Value has here no connection with what the bourgeois economist calls the cost of production. Since demand results not only from primary needs but also from such needs as those set by fashion and advertising, the marginal utility theory became of importance to capitalists attempting to influence demand in the interest of profits.*

It was attempted, though without success, to extend this theory from the sphere of consumption to all other phases of the bourgeois economy, such as production, productivity, accumulation, rent, interest, profits, and wages. In the course of discussion, theory underwent a number of changes. However, as an explanation of all economic phenomena, the marginal utility theory is now rejected by the

Bourgeois economists who played with the problem of a socialist economy concerned themselves from the beginning only with attempts to find a "substitute" for the market. They discussed the manifold possibilities of economic calculation in a socialist system, some taking an affirmative and others a negative position. There is a long list of theorists who have dealt with these questions***, though we are here restricting ourselves to Lange.

Lange first points out that in considering a "socialist" pricing system, a distinction must be made between the two meanings of price. "It may mean either price in the ordinary sense, i. e., the exchange ratio of two commodities on the market, or it may have the generalized meaning of terms on which alternatives are offered**** (60)." Only the price in the latter sense does he hold as indispensable to solving the problem of the allocation of resources. "If one has a preference scale which guides the acts of choice," he says, "and knowledge of the amount of resources available," and both data are given equally well to a socialist and a competitive economy, then, "the terms on which alternatives are offered are determined ultimately by

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majority of bourgeois economists. As a partial explanation, it was adopted by the Neo-Classicists, or the so-called modern value theorists. They combined the older cost of production theory with the marginal utility theory. In the neo-classical theory therewith comes to light the limited importance of the marginal utility theory. The latter is able only to serve as an explanation for certain features of the existing price system. The theory is neither able to comprehend and explain prices without the objective value theory, nor the deeper-lying economic reasons for market and price fluctuations. The workers are interested only in the scientific analysis and critique of the main functions of capitalism, such as the process of accumulation, the crises cycle, the movement of the rates of profit, etc. phenomena understandable only with the help of an objective value concept. By theoretically indentifying value and price, Marx rightfully ignored all the problems raised by marginal utility theory. However important they may be to the capitalists, they are of no importance for an analysis of the fundamental laws of motion in capitalism.

***The interested reader is referred to Eduard Heimann's description of "The Literature on the Theory of a Socialist Economy," in Social Research, February 1939, pp. 88-113; and to "Zur Theory der Planwirtschaft," by Kurt Mandelbaum and Gerhard Meyer, in Zeitschrit fur Sozialforschung, Vol. III, pp. 228-262.*

****When bourgeois economists speak of other social forms they find the characteristics of capitalist society repeated in those other forms. The bow and arrow of the primitives as well as the instruments of production in socialism appear to them equally as capital. And so, too, price to them is "a phenomenon incident to all forms of organization of society and to economic action in general." This is why they have long made the distinction between the two meanings of price employed here by Lange. J. A. Schumpeter, for instance, explains this distinction as follows: "If we take the organization of a centralist socialist state ...it stands to reason that the central management would have nothing to go by in its decisions on the question of the what and how of production unless it gave the comrades an opportunity to express their preferences with quantitative precision. This is equalent to saying that the coefficient of choice of the numbers of such a society would have to be found out somehow, for instance, by assigning to them a certain number of claims to units of product in general and allowing them to express their preferences for the various commodities by means of these units. If then prices can be considered to be coefficients of choice, then the coefficients of choice of the comrades would be essentially prices... Values of alternative production show themselves in capitalist society in the money price of the means of production and would show themselves in equivalent expressions in any other form of society. An economic dimension is always necessary for the guidance of production, and this economic dimension at all times and under all circumstances finds expression in coefficients of choice which are fundamentally the same thing as prices in capitalist society." (The Nature and Necessity of a Price System. Economic Reconstruction. Columbia University Commission. New York 1934.)*

the technical possibility of transformation of one commodity in another; e. i., by the production functions (61)." And here "the administrators of a socialist economy will have exactly the same knowledge, or lack of knowledge, of the production function as the capitalist entrepreneurs."

After a detailed exposition of the elements of the bourgeois theory of economic equilibrium, according to which equilibrium of supply and demand is established on the competitive market by trial and error, Lange states that the trial and error method can be successfully employed in a "socialist" economy. Quite persuasively he demonstrates that in "socialism", "the process of price determination is analogous to that in a competitive market. The Central Planning Board performs the functions of the market. It establishes the rules for combining factors of production and choosing the scale of output of a plant, for determining the output of an industry, for the allocation of resources, and for the parametic* use of prices in accounting. Finally, it fixes the prices so as to balance the quantity supplied and demanded of each commodity (83)." Bourgeois critics, Lange points out, have already admitted that "on paper, we can conceive this problem to be solved by a series of mathematical calculations," but that in practice this solution is quite unworkable. He now proves that in the system of his imagination it would theoretically not only be just as easy to reach right equilibrium prices (such as balance supply and demand) as in competitive society, but that this would be even easier, as it could be accomplished "by a much shorter succession of trials than a competitive market actually does," because "The Central Planning Board would have much wider knowledge of what is going on in the economic system as a whole than any private entrepreneur can possibly have under capitalism."

In spite of the enormous controls and directive power which he gives to his Central Planning Board Lange's theory is devoted to a "socialist society where freedom of choice in consumption and freedom of choice in occupation are maintained, and the preferences of consumers, as expressed by their demand prices, are guiding criteria in production and in the allocation of resources (72)." This system maintains a market for consumers' goods and for the services of labor; but there is no market for capital goods and productive resources outside of labor. The prices of capital goods and productive resources outside of labor are thus prices in the generalized sense, i. e., mere indices of alternatives available, fixed for accounting purposes. But Lange also points out that this theory is not in contradiction "to a socialist society where freedom of choice in consumption and freedom of choice of occupation are non-existent and where the allocation of resources instead of being directed by the preferences of consumers, is directed by the aims and valuations of the bureaucracy in charge of the administration of the economic system (90)." However, he does not recommend the second possibility, and refers his readers to Dr. A. P. Lerner who has "sufficiently shown the undemocratic character of such a system and its incompatibility with the ideas of the socialist movement (95)."

As in Lange's "socialism" the productive resources outside of labor belong as "public property" to the state, the incomes of the "consumers" are divorced from the ownership of those resources and are dependent on adopted principles of income formation. The necessity of maintaining freedom of choice of occupation, however, limits, in Lange's opinion, the arbitrary use of decisions in regard to distribution, "For there must be some connection between the income of a consumer and the services of labor performed by him (74)." He suggests two forms of consumers income, "one part being the receipt

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*The parametic function of prices means, that though "the prices result from the behavior of all individuals on the market, each individual separately regards the actual market price as given data to which he has to adjust himself."

for the labor services performed and the other part being a social dividend constituting the individuals' share in the income derived from the capital and the natural resources owned by society (74)."

Lange wishes that the consumers should actually dictate to the state what shall be produced. The finding of the proper prices shall bring about an equilibrium between supply and demand; what capitalism never was able to do, shall now be realized. Under capitalism, as Lippincott explains Lange's more technical text, "demand price, or what consumers are willing and able to pay, does not reflect the relative urgency of needs of different persons," and consequently, "The allocation of resources as determined by demand price offered for consumers' goods is far from attaining the maximum social welfare." To distribute income so as to maximize the social welfare, the same demand price offered by different consumers must represent an equal urgency of need. "The services of labor must be apportioned among the different occupations so that the value of the marginal product of labor equals the marginal disutility involved in pursuing these occupations. In other words, that the product which results from adding the last unit of labor that just pays for itself is equal to the discomfort or pain necessary to produce it. The disutility of any occupation can be represented as an opportunity cost, and instead of attaching to the various occupations different incomes, the administration of a socialist economy might pay to any citizen the same amount of money income and charge a price for the pursuit of each occupation (20/21)."

With given incomes of consumers and a given set of prices, the demand for consumers goods is determined. The managers of production will try to minimize production costs. Output will be fixed so that marginal cost is equal to the price of the product. "Each industry has to produce exactly as much of a commodity as can be sold to other industries at a price which equals the marginal cost incurred by the industry in producing this amount (77)." Since prices are indices of terms on which alternatives are offered, that method of production which will minimize average cost will also minimize the alternatives sacrificed (78)." Surplus or deficit would result from incorrect valuations. "The right prices are simply found out by watching the quantities demanded and the quantities supplied and by raising the price of a commodity or service whenever the reverse is the case, until by trial and error, the price is found at which demand and supply are in balance (89)."

The close relationship between capitalism proper and that which Lange terms "socialism" must lead to the question, "If much the same forces would operate a socialist system as operate the competitive, ...why change to a socialist? (18)." Because, Lange answers, "Only a socialist economy can distribute incomes so as to attain the maximum social welfare (99)." The other feature which distinguishes a socialist economy from one based on private enterprise is the **comprehensiveness** of the items entering the price system (103)." And finally he hopes that "as a result of the possibility of taking into account **all** the alternatives a socialist economy would not be subject to the fluctuations of the business cycle (105)." However, in stating the case for socialism, Lange adds that the real issue is not the comparison of the merits of a socialist and capitalist economy, but "whether the further maintenance of the capitalist system is compatible with economic progress (110)," a question which he answers in the negative, as "monopoly, restrictionism, and interventionism can be done away with only together with private enterprise and the private ownership of the means of production, which, from being promoters, have turned into obstacles, of economic progress (120)."

Those who want to follow Lange's exposition in all its details will have to read his book. We must restrict ourselves to the statement that we have no intention of challenging the logic of his arguments as far as they are directed against his adversaries in the bourgeois camp. We are quite

convinced that his claim of computability in an invented system of market socialism is justified. However, we are of the conviction that the whole discussion from Mises to Lange is quite beside the point and entirely divorced from reality. As a matter of fact, Mises did not attack socialism but argued against a system of state capitalism which he and his adversaries mistook for socialim. Lange does not defend socialism but an imagined state capitalist system.

Contrary to other writers, Lange is of the opinion that Marx "was well aware of the problems" which he attempts now to solve, though Marx "tried to solve it in a rather unsatisfactory way (130)." Marx, Lange says, "seems to have thought of labor as the only kind of scarce resource to be distributed between different uses, and wanted to solve the problem by the labor theory of value (132)." However, he continues, Marx and Engels were also "well aware of the role demand (utility) has in determining the allocation of resources, though they were unable to find a clear and functional expression of the law of demand (134)." However, Marx awareness of the fact that no society can prevail which entirely disregards the real needs of the people, and his recognition of the fact that the mass of products corresponding to the different needs require different and quantitatively determined masses of the total labor of society, has nothing to do with the solution of the problem provided for by modern marginal analyses, and does not require a value calculation. The marginal analysis to which Lange attributed so much importance is, after all, only a largely miscarried attempt to state more adequately the old supply and demand theory, with greater emphasis upon the side of demand or utility in the explanation of value. A value explanation by supply and demand, with or without marginal analysis, still leaves unanswered the question, what lies behind prices, supply and demand? Lange himself states that demand or utility does not determine capitalist production; the application of marginal analysis in capitalism based on private property boils down to the simple fact that a capitalist hires or fires a worker according to the worker's profitability or nonprofitability to him. "If demand and supply balance one another, they cease to explain anything, they do not effect market-values, and therefore leave us even more in the dark than before concerning the reasons for the expression of the market-value in just a certain sum of money and no other. It is evident that the essential fundamental laws of production cannot be explained by the interaction of supply and demand." — **) Furthermore, social demand "is essentially conditioned on the mutual relations of the different economic classes and their relative economic positions, that is to say, on the proportion of the total surplus value to the wages, and, on the proportion of the various parts into which surplus value is divided (profit, interest, rent, taxes, etc.). And this shows once more that absolutely nothing can be explained by the relation of supply and demand, unless the basis has first been ascertained, on which this relation rests."***

And the basis on which this relation rests in Lange's "socialism" consists of the divorce of the productive resources outside of labor from the laborers which is, at the same time, the rule of the state over the workers. Social demand will then first of all, be determined by this relationship of rulers and ruled, which, to be continued, will have to make all economic decisions from the viewpoint of securing the existing fundamental class relationship. The continuation of market and price relations will mean here no more than the employment of methods which are best suited to hide the continued class rule, class production, and class distribution. Just as the wage system today beclouds the exploitation of labor, just as the price system creates the illusion that exploitation is a market problem, so the price system based on marginal analysis will be employed only ideologically as a justification of continued class and income

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**K. Marx, Capital. Vol. III, p. 223.

***K. Marx, Capital. Vol. III, p. 214'

differentiations. The whole need for his price system Lange explains by the scarcity of many goods and services. With general abundance, he contends, the more desirable system of "free sharing" without any accounting becomes possible, as increasing abundance slowly makes a price system superfluous. However, if a price system is justified by the scarcity of goods, then this price system, functioning on the basis of class relations, will not be able to prevent class considerations in the distribution of scarce products. In a society of price fixing, the "equilibrium" of supply and demand will reflect the economic wants and political needs of the class which does the fixing. Lange says himself that "the real problem of a socialist state is not economic at all, but sociological; it is the problem of bureaucracy (24)." In his system it depends entirely upon the bureaucracy whether evaluations are made and prices fixed so that the maximum welfare is achieved. The demand schedule, which shall guide the bureaucracy in their change of prices and supplies, may be ignored or followed by them. It is entirely up to them if such "things as leisure, safety, and agreableness of work," are at all entered into the utility scales of the individuals. It is up to them whether there should be distributed a social dividend constituting the individuals' share in the income derived from the "capital and the natural resources," as if capital and the natural resources could create an income independent from the workers' labor, which employs these means of production. Rather, the control of these means of production will mean securing of a share of the social product to the controllers, the size of which will be more or less dependent on their exploitative needs and the class struggle. The rate of capital accumulation, Lange says, reflects how theCentral Planning Board, and not the consumers, evaluate the optimum time-shape of the income stream (85)." In short, it is entirely possible for the authorities to disregard all of Lange's suggestions and all requirements of marginal analysis, and to operate with a price policy which continues the exploitation of the many by the few. Then, Lange may say, they would not be living up to socialist principles, and so it actually depends upon socialist principles on the part of the authorities whether, under the conditions outlined by Lange, the maximum of social welfare could be reached. In other words, the desired situation in which the consumers dictate to the state what and how should be produced depends on the readiness of the bureaucracy to be mere servants of society.

However, the Russian development destroyed a number of illusions in this respect as well as those of the desirability of a state controlled economic system. Recent occurrences disquieted a great number of intellectuals, as it proved deadly not to be in the most complete agreement with the authoritarian rulers con trolling the instruments of power. The results of the observable state capitalist trend in other countries, too, exclude to an always greater degree the hope that this new capitalist transformation will bring about the desired social peace and the realization of a rational economy. Rather, as one writer observed, this new economic system, "will rely on the will, insight, and abilities of the few persons who are in dictatorial command of the whole society. Thus a decisive irrational, personal, and subjective element comes in. That objective regular character resulting from the interplay of numerous sellers and buyers... is gone and excluded as long as a collective economy means at the same time a dictatorial economy****." Though this view undoubtedly exaggerates the possibility of the subjective element to disregard objective necessities, it expresses nevertheless a deep distrust towards recent "planing" attempts apparently opposed to the only form of "regulation'' possible in capitalism, i. e., the unhampered competition in which from time to time a crisis re-establishes the lost capitalist "equilibrium."

However, the intervention of the state in economic matters is more

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****H. v. Beckerath, Economic Thought and Evolution. The Philosophical Review. November 1937, p. 595.

and more accepted as unavoidable, though it is feared that it will be "disastrous when it is not democratic." The coalescence of economic and political power, writes Bertrand Russel,* "is an irresistable tendency in the modern world. It may be effected in an undemocratic manner by the politicians, as h a s happened in Russia, Italy and Germany. It may be effected in an undemocratic manner by the plutocrats, in the countries that are nominally democratic. For the believer in democracy, the only practicable course is to advocate its happening in a democratic way, by the transference of ultimate economic power into the hands of the democratic state."

The liberal bourgeoisie, as yet unwilling to embrace bolshevism or fascism, faces therewith a great problem: how to reform capitalism so that it may continue to function, without applying the pre-requisite for such reform, a dictatorship. Apparently, Lange's book seeems to provide a theory which makes it possible to have state capitalism **and** democracy, and as Dr. Lippincott said in his introduction, even "might make possible the achievement of that rare thing in history — a fundamental change in political control, or in class relations, without a conflict (38)." Small wonder then, that this book found so many attentive ears. For example, we may quote Alfred M. Bingham, who, reviewing **in Common Sense** Max Lerner's book "It Is Later Than You think," criticizes the latter slightly because "he ignored the n e w literature of 'market socialism' and of 'monopolistic competition', which might suggest that the democratic planned capitalism he calls for as a transition step is much nearer to socialism than he could dare to hope."

Indeed, we, too, could not discover any essential difference between the numerous proposals of a democratic reform of capitalism as an alternative to fascism recently brought forward by liberal theorists, and Lange's "theory of socialism," in its possible practical implications. For that matter, we are unable to see any fundamental difference between all these suggestions of capitalist reform and its actualization in fascist countries including its most complete Russian form. And really, "The conception, which regards only the condition of distribution historically, but not the conditions of production, is, on the one hand, merely an idea begotten by the incipient, but still handicapped, critique of bourgeois economy. On the other hand it rests upon a misconception, an identification of the process of social production with the simple labor process, such as might be performed by any abnormally situated human being without any social assistance**." And it is quite amusing to notice, that, as everything appears upside down in capitalist economy, so also Lange's concept of socialism, which only attempts to alter distribution, presents itself as a concept which "socializes production alone."

It remains to be said that the capitalistic character of this type of "socialism" comes to light also in its proposals regarding the transition period preceding it. At first glance, these proposals seem to be quite radical; indeed, Lange says emphatically, "Socialism is not an economic policy for the timid (125)." But the resolute fighter for socialism should, in Lange's opinion, first of all make clear "that socialism is not directed against private property as such, but only against that special type of private property which creates privileges to the detriment of the great majority of the people (125)." The socialist government, he says, must start its policy of transition immediately with the **socialization** of the industries a n d banks in question (122)." That is, those industries "with monopolistic and restrictionist practices, which create obstacles to economic p r o g r e s s." But. "All private property of the means of production and all private enterprises which have useful social function will enjoy the full protection and support of the socialist state (125)," and "to prove the seriousness of its intentions, the socialist government may have to undertake some im-

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*Democracy and Economics. S u r v e y Graphic. February 1939, p. 132.

**K. Marx, Capital. Vol. III, p. 1030'

mediate deeds in favor of the small entrepreneurs and small property holders (including holders of saving deposits and small stock and bond holders (126)." For Lange is convinced that "competition forces entrepreneurs to act much as they would have to act were they managers of production in a socialist economy (98)." "By appropriate legislation, taxes, and bounties a socialist economy can induce the small-scale entrepreneurs to take all alternatives into consideration and avoid the danger of their causing serious business fluctuations (107)." What can be controlled should not be expropriated. But such control is senseless if it excludes entrepreneur profits. The state control must guarantee profitability so that the entrepreneurs are willing to remain as such, for they are only entrepreneurs to realize profits; they are not pursuing a hobby. If these still tremendous numbers of small entrepreneurs extract profits, and, if there exists in addition to them the ruling bureaucracy living from the social dividend, which is the surplus product of labor, then in the face of the necessity of continued international competition to the point of war, the whole economy will be forced, despite all possible ethical considerations, to direct production and distribution even more desperately into channels guaranteeing the largest possible quantity of surplus labor, i. e., the greatest possible exploitation. Under such conditions, and with such a program, a boundless optimism alone can expect that the mere control of the now stagnant monopolistic enterprises and an improved price system and the eventuality of a socialist minded bureaucracy will allow this "new" society to be free of the fluctuations of the business cycle. However, even the present monopolistic and state capitalist systems are no longer subject to the fluctuations of that business cycle which regulated the old and less monopolistic and more dynamic capitalism. Yet, they are still subject to crisis conditions of a far greater destructive character, though these crises conditions are no longer manifest merely in the destruction of capital in a more or less automatic way, but by a more grandiose destruction of capital and human life by military attempts to reorganize world exploitation with a view to maintaining capital labor relations.

Last in his proposals, Lange outlines the "special situation where a socialist government, even if it has not the power to achieve a comprehensive socialization, may have a useful task to fulfill, a task which a capitalist government may be unable to carry out (127)." On the basis of the reasoning of Mr. Keynes, as laid down in his "General Theory of Employment, etc." Lange suggests "a bold program of public investments to restore employment to a higher level (127)." As such policy, because of its nonprofitability, may not be carried out by the bourgeoisie itself, "it may take a socialist government, free from the ballast of bourgeois prejudices about economic policies, to restore the capitalist economy (127)," which program, if "carried out sucessfully would increase the popularity of the socialists greatly." This rather queer way of thinking, which makes socialism popular because it restores capitalism, its alleged enemy, overlooks the simple fact that such a restoration of capitalism can be undertaken only at the expense of the workers. Besides, the "new" credit, money, and public works policies in the sense of Keynes, the quest for a lower rate of interest, and even the "socialization of investments" are as old as capitalism. Their present more intense application only reflects the increasing difficulties of capitalism. They are not designed to change the system, but instead they follow from changes already made in the capitalist structure, and mean practically that the concentration and centralization of capital proceeds now with additional political means. After all, Keynes' proposals are based on the discovery that it is easier to reduce the income of the workers by inflationary than by deflationary methods. As a crisis is chiefly caused by a decline of profitability, he knows quite well that it can be overcome only by restoring profitability, which he would bring about by price inflation, decrease of the rate of interest, and public works. As far as

labor is concerned, he still holds that "in general, an increase in employment can only occur to the accompaniment of a decline in the rate of real wages.***" The more intense exploitation of the workers is the objective of his theory. Would such a policy greatly enhance the popularity of socialism? It did so in German "National-Socialism," and in the American "New Deal-Socialism." But we doubt very much whether Dr. Lange is very happy about the result and the consequences of the popularity of socialism brought about by the application of methods as outlined by Keynes and largely adopted in the two countries mentioned.

If it weren't for these more practical proposals, the need for criticizing Lange's concept of socialism would be less urgent because of the highly abstract manner of his argumentation. His play with a socialist price system is quite removed from all practical considerations. As long as the logic of the abstract assumptions is maintained, all is well as far as Lange's contribution to the theory of socialism is concerned. If these theoretical assertions are not applied, he could argue that this is not his fault, but the mistake of those responsible for actual policies. However, on the basis of such abstractions, whether or not practically realizable, practical politicians construct ideological arguments which may serve exactly the opposite from what they express ideologically. This is the more true at the present time because not only do the proponents of state capitalism, but also its eventual victims, conceive, like Lange, a mere transformation within the capitalist mechanism as an entirely new society. At the recent convention of the Illinois Bankers Association, for instance, former Congressman S. B. Pettengill excited his audience considerably by declaring that America "faces a knockdown and drag-out fight between those who want to maintain the country's traditional system of free economic enterprise and the socialists who are now in Washington.****" He based his argumentation on the testimony of A. A. Berle, assistant Secretary of State and a Roosevelt brain-truster, who advocated before the monopoly committee the socialization of credit and government ownership of the country's basic industries. This increasing neglect of questions of profitalibity, however, serves only one purpose, to save profit economy. To avoid expropriation of capital, the capitalist society has to expropriate the individual capitalists to an always greater extent. To prevent socialism it is necessary to turn state-capitalistic. In all proposals appearing recently under the name of "socialism," the proletarian class remains a proletarian class. The only thing that is to be modified and made more efficient is the control over this class. The only thing really to be planned is the exploitation of labor. As Lange's book helps to support the propaganda for this sort of "bastard-socialism," it must be rejected by the workers fighting for a socialist Society.

***The General Theory of Employment, Interest, and Money. London, 1936, p. 17.

****Chicago Daily Tribune. May 27, 1939.

IN THE NEXT ISSUE OF LIVING MARXISM

Economy and Social Legislation in America
Bread and Union-Dues
Recent Development in France
Mexico: Today and Tomorrow
Reviews: Fascism and Big Business — Death is not Enough — The Black Jacobins — Work-Hour Value — and other articles and reviews.

THE STRUGGLE AGAINST FASCISM BEGINS WITH THE STRUGGLE AGAINST BOLSHEVISM

Russia must be placed first among the new totalitarian states. It was the first to adopt the new state principle. It went furthest in its application. It was the first to establish a constitutional dictatorship, together with the political and administrative terror system which goes with it. Adopting all the features of the total state, it thus became the model for those other countries which were forced to do away with the democratic state system and to change to dictatorial rule. Russia was the example for fascism.

No accident is here involved, nor a bad joke of history. The duplication of systems here is not apparent but real. Everything points to the fact that we have to deal here with expressions and consequences of identical principles applied to different levels of historical and political development. Whether party "communists" like it or not, the fact remains that the state order and rule in Russia are indistinguishable from those in Italy and Germany. Essentially they are alike. One may speak of a red, black, or brown "soviet state," as well as of red, black, or brown fascism. Though certain ideological differences exist between these countries, ideology is never of primary importance. Ideologies, furthermore, are changeable and such changes do not necessarily reflect the character and the functions of the state apparatus. Furthermore, the fact that private property still exists in Germany and Italy is only a modification of secondary importance. The abolition of private property alone does not guarantee socialism. Private property within capitalism also can be abolished. What actually determines a socialist society is, besides the doing away with private property in the means of production, the control of workers over the products of their labor and the end of the wage system. Both of these achievements are unfulfilled in Russia, as well as in Italy and Germany. Though some may assume that Russia is one step nearer to socialism than the other countries, it does not follow that its "soviet state" has helped the international proletariat come in any way nearer to its class struggle goals. On the contrary, because Russia calls itself a socialist state, it misleads and deludes the workers of the world. The thinking worker knows what fascism is and fights it, but as regards Russia, he is only too often inclined to accept the myth of its socialistic nature. This delusion hinders a complete and determined break with fascism, because it hinders the principle struggle against the reasons, preconditions, and circumstances which in Russia, as in Germany and Italy, have led to an identical state and governmental system. Thus the Russian myth turns into an ideological weapon of counter-revolution.

It is not possible for men to serve two masters. Neither can a totalitarian state do such a thing. If fascism serves capitalistic and imperialistic interests, it cannot serve the needs of the workers. If, in spite of this, two apparently opposing classes favor the same state system, it is obvious that something must be wrong. One or the other class must be in error. No one should say here that the problem is one merly of form and therefore of no real significance, that, though the political forms are identical, their content may vary widely. This would be self-delusion. For the Marxist such things do not occur; for him form and content fit to each other and they cannot be divorced. Now, if the Soviet State serves as a model for fascism, it must contain structural and functional elements which are also common to fascism. To determine what they are we must go back to the 'soviet system" as established by Leninism, which is the application of the principles of bolshevism to the Russian conditions. And if an identity between bolshevism and fascism can be established, then the proletariat cannot at the same time fight fascism and defend the Russian "soviet system." Instead, the struggle against fascism must begin with the struggle against bolshevism.

II.

From the beginning bolshevism was for Lenin a purely Russian phenomenon. During the many years of his political activity, he never attempted to elevate the bolshevik svstem to forms of struggles in other countries. He was a social democrat who saw in Bebel and Kautsky the genial leaders of the working class, and he ignored the left-wing of the German socialist movement struggling against these heroes of Lenin and against all the other opportunists. Ignoring them, he remained in consistent isolation surrounded by a small group of Russian emigrants, and he continued to stand under Kautsky's sway even when the German "left," under the leadership of Rosa Luxemburg, was already engaged in open struggle against Kautskyism.

Lenin was concerned only with Russia. His goal was the end of the Czarist feudal system and the conquest of the greatest amount of political influence for his social democratic party within the bourgeois society. However, the force of theRevolution of 1917 brought Lenin far beyond the preconceived goal, and the Bolshevik Party came into power over all Russia. However, it realized that it could stay in power and drive on the process of socialization only if it could unleash the world revolution of the workers. But its own activity in this respect was quite an unhappy one. By helping to drive the German workers back into the parties, trade unions, and parliament, and by the simultaneous destruction of the German council (soviet) movement, the Bolsheviks lent a hand, to the defeat of the awakening European revolution.

The Bolshevik Party, consisting of professional revolutionists on the one hand and large backward masses on the other, remained isolated. It could not develop a real soviet system within the years of civil war, intervention, economic decline, failing socialization experiments, and the improvized Red Army. Though the soviets, which were developed by the Mensheviks, did not fit into the bolshevistik scheme, it was with their help that the Bolsheviks

came to power. With the stabilization of power and the economic reconstruction process, the Bolshevik Party did not know how to coordinate the strange soviet system to their own decisions and activities. Nevertheless, socialism was also the desire of the Bolsheviks, and it needed the world proletariat for its realization.

Lenin thought it essential to win the workers of the world over to the bolshevik methods. It was disturbing that the workers of other countries, despite the great triumph of Bolshevism, showed little inclination to accept for themselves the bolshevik theory and practice, but tended rather in the direction of the council movement, that arose in a number of countries, and especially in Germany.

This council movement Lenin could use no longer in Russia. In other European countries it showed strong tendencies to oppose the bolshevik type of uprisings. Despite Moscow's tremendous propaganda in all countries, the so-called "ultra-lefts," as Lenin himself pointed out, agitated more successfully for revolution on the basis of the council movement, than did all the propagandists sent by the Bolshevik Party. The Communist Party, following Bolshevism, remained a small, hysterical, and noisy group consisting largely of the proletarianized shreds of the bourgeoisie, whereas the council movement gained in real proletarian strength and attracted the best elements of the working class. To cope with this situation, bolshevik propaganda had to be increased; the "ultra-left" had to be attacked; its influence had to be destroyed in favor of Bolshevism.

Since the soviet system had failed in Russia, how could the radical "competition" dare to attempt to prove to the world that what could not be accomplished by Bolshevism in Russia might very well be realized independently of Bolshevism in other places? Against this competition Lenin wrote his pamphlet "Radicalism, an Infantile Disease of Communism," dictated by fear of losing power and by indignation over the success of the heretics. At first this pamphlet appeared with the subheading, "Attempt at a popular exposition of the Marxian strategy and tactic," but later this too ambitious and silly declaration was removed. It was a little too much. This aggresive, crude, and hateful papal bull was real material for any counter revolutionary. Of all programmatic declarations of Bolshevism it was the most revealing of its real character. It is Bolshevism unmasked. When in 1933 Hitler suppressed all socialist and communist literature in Germany, Lenin's pamphlet was allowed publication and distribution.

As regards the content of the pamphlet, we are not here concerned with what it says in relation to the Russian Revolution, the history of Bolshevism, the polemic between Bolshevism and other streams of the labor movement, or the circumstances allowing for the Bolshevik victory, but solely with the main points by which at the time of the discussion between Lenin and "ultra-leftism," were illustrated the decisive differences between the two opponents.

III.

The Bolshevik Party, originally the Russian social democratic section of the Second International, was built not in Russia but during the emigration. After the London split in 1903, the Bolshevik wing of the Russian social democracy was no more than a small sect. The "masses" behind it existed only in the brain of its leader. However, this small advance guard was a strictly disciplined organization, always ready for militant struggles and continually purged to maintain its integrity. The party was considered the war academy of professional revolutionists. Its outstanding pedagogical requirements were unconditional leader authority, rigid centralism, iron discipline, conformity, militancy, and sacrifice of personality for party interests. What Lenin actually developed was an elite of intellectuals, a center which, when thrown into the revolution would capture leadership and assume power. There is no use to try to determine logically and abstractly if this kind of preparation for revolution is wrong or right. The problem has to be solved dialectically. Other questions also must be raised: What kind of a revolution was in preparation? What was the goal of the revolution?

Lenin's party worked within the belated bourgeois revolution in Russia to overthrow the feudal regime of Czarism. The more centralized the will of the leading party in such a revolution and the more single-minded, the more success would accompany the process of the formation of the bourgeois state and the more promising would be the position of the proletarian class within the framework of the new state. What, however, may be regarded as a happy solution of revolutionary problems in a bourgeois revolution cannot at the same time be pronounced as a solution for the proletarian revolution. The decisive structural difference between the bourgeois and the new socialist society excludes such an attitude.

According to Lenin's revolutionary method, the leaders appear as the head of the masses. Possessing the proper revolutionary schooling, they are able to understand situations and direct and command the fighting forces. They are professional revolutionists, the generals of the great civilian army. This distinction between head and body, intellectuals and masses, officers, and privates corresponds to the duality of class society, to the bourgeois social order. One class is educated to rule; the other to be ruled. Out of this old class formula resulted Lenin's party concept. His organization is only a replica of bourgeois reality. His revolution is objectively determined by the forces that create a social order incorporating these class relations, regardless of the subjective goals accompanying this process.

Whoever wants to have a bourgeois order will find in the divorce of leader and masses, the advance guard and working class, the right strategical preparation for revolution. The more intelligent, schooled, and superior is the leadership and the more disciplined and obedient are the masses, the more chances such a revolution will have to succeed. In aspiring to the bourgeois revolution in Russia, Lenin's party was most appropriate to his goal.

When, however, the Russian revolution changed its character, when its proletarian features came more to the fore, Lenin's tactical and strategical methods ceased to be of value. If he succeeded anyway it was not because of his advance guard, but because of the soviet movement which had not at all been incorporated in his revolutionary plans. And when Lenin, after the successful revolution which was made by the soviets, dispensed again with this movement, all that had been proletarian in the Russian Revolution was also dispensed with. The bourgeois character of the Revolution came to the fore again, finding its natural completion in Stalinism.

Despite his great concern with Marxian dialectics, Lenin was not able to see the social historical processes in a dialectical manner. His thinking remained mechanistic, following rigid rules. For him there was only one revolutionary party — his own; only one revolution — the Russian; only one method — the bolshevik. And what had worked in Russia would work also in Germany, France, America, China and Australia. What was correct for the bourgeois revolution in Russia would be correct also for the proletarian world revolution. The monotonous application of a once discovered formula moved in an ego-centric circle undisturbed by time and circumstances, developmental degrees, cultural standards, ideas, and men. In Lenin came to light with great clarity the rule of the machine age in politics; he was the "technician," the "inventor," of the revolution, the representative of the all-powerful will of the leader. All fundamental characteristics of fascism were in his doctrine, his strategy, his social "planning," and his art of dealing with men. He could not see the deep revolutionary meaning of the rejection of traditional party policies by the left. He could not understand the real importance of the soviet movement for the socialist orientation of society. He never learned to know the prerequisites for the freeing of the workers. Authority, leadership, force, exerted on one side, and organization, cadres, subordination on the other side, — such was his line of reasoning. Discipline and dictatorship are the words which are most frequent in his writings. It is understandable, then, why he could not comprehend nor appreciate the ideas and actions of the "ultra-left," which would not accept his strategy and which demanded what was most obvious and most necessary for the revolutionary struggle for socialism, namely that the workers once and for all take their fate in their own hands.

IV.

To take their destiny in their own hands — this key-word to all questions of socialism — was the real issue in all polemics between the ultra-lefts and the Bolsheviks. The disagreement on the party question was paralleled by the disagreement on trade unionism. The ultra-left was of the opinion that there was no longer a place for revolutionists in trade unions; that it was rather necessary for them to develop their own organizational forms within the factories, the common working places. However, thanks to their unearned authority, the Bolsheviks had been able even in the first weeks of the German revolution to drive the workers back into the capitalistic reactionary trade

unions. To fight the ultra-lefts, to denounce them as stupid and as counter-revolutionary, Lenin in his pamphlet once more makes use of his mechanistic formulas. In his arguments against the position of the left he does not refer to German trade unions but to the trade union experiences of the Bolsheviks in Russia. That in their early beginnings trade unions were of great importance for the proletarian class struggle is a generally accepted fact. The trade unions in Russia were young and they justified Lenin's enthusiasm. However, the situation was different in other parts of the world. Useful and progressive in their beginnings, the trade unions in the older capitalistic countries had turned into obstacles in the way of the liberation of the workers. They had turned into instruments of counter revolution, and the German left drew its conclusions from this changed situation.

Lenin himself could not help declaring that in the course of time there had developed a layer of a "strictly trade-unionist, imperialistic orientated, arrogant, vain, sterile, egotistical, petty-bourgeois, bribed, and demoralized aristocracy of labor." This guild of corruption, this gangster leadership, today rules the world trade union movement and lives on the back of the workers. It was of this trade union movement that the ultra-left was speaking when it demanded that the workers should desert it. Lenin, however, demagogically answered by pointing to the young trade union movement in Russia which did not as yet share the character of the long established unions in other countries. Employing a specific experience at a given period and under particular circumstance, he thought it possible to draw from it conclusions of world-wide application. The revolutionist, he argued, must always be where the masses are. But in reality where are the masses? In trade union offices? At membership meetings? At the secret meetings of the leadership with capitalistic representatives? No, the masses are in the factories, in their working places; and there it is necessary to effect their cooperation and strengthen their solidarity. The factory organization, the council system, is the real organization of the revolution, which must replace all parties and trade unions.

In factory organizations there is no room for professional leadership, no divorce of leaders from followers, no caste distinction between intellectuals and the rank and file, no ground for egotism, competition, demoralization, corruption, sterility and philistinism. Here the workers must take their lot in their own hands.

But Lenin thought otherwise. He wanted to preserve the unions; to change them from within; to remove the social democratic officials and replace them with bolshevik officials; to replace a bad with a good bureaucracy. The bad one grows in social democracy; the good one in Bolshevism.

Twenty years of experience meanwhile have demonstrated the idiocy of such a concept. Following Lenin's advice, the Communists have tried all and sundry methods to reform trade unions. The result was nil. The attempt to form their own trade unions was likewise nil. The competition between social democratic and bolshevik trade union work was a competition in corruption. The revolutionary energies of the workers were exhausted in this

very process. Instead of concentrating upon the struggle against fascism, the workers were engaged in a senseless and resultless experimentation in the interest of diverse bureaucracies. The masses lost confidence in themselves and in "their" organizations. They felt themselves cheated and betrayed. The methods of fascism, to dictate each step of the workers, to hinder the awakening of self-initiative, to sabotage all beginnings of class-consciousness, to demoralize the masses through innumerable defeats and to make them impotent, — all these methods had already been developed in the twenty years of work in trade unions in accordance with bolshevik principles. The victory of fascism was such an easy one because the labor leaders in t r a d e unions and parties had prepared for them the human material capable of being fitted into the fascistic scheme of things.

V.

On the question of parliamentarianism, too, Lenin appears in the role of the defender of a decayed political institution which had become a hindrance for further political development and a danger to the proletarian emancipation. The ultra-lefts fought parliamentarianism in all its forms. They refused to participate in elections and did not respect parliamentary decisions. Lenin, however, put much effort into parliamentary activities and attached much importance to them. The ultra-left declared parliamentarianism historically passe even as a tribune for agitation, and saw in it no more than a continuous source of political corruption for both parliamentarian and workers. It dulled the revolutionary awareness and consistency of the masses by creating illusions of legalistic reforms, and on critical occasions the parliament turned into a weapon of counter-revolution. It had to be destroyed, or, where nothing else was possible, sabotaged. The parliamentary tradition, still playing a part in proletarian consciousness, was to be fought.

To achieve the opposite effect, Lenin operated with the trick of making a distinction between the historically and politically passe institutions. Certainly, he argued, parliamentarianism was historically obsolete, but this was not the case politically, and one would have to reckon with it. One would have to participate because it still played a part politically.

What an argument! Capitalism, too, is only historically and not politically obsolete. According to Lenin's logic, it is then not possible to fight capitalism in a revolutionary manner. Rather a compromise would have to be found. Opportunism, bargaining, political horse-trading, — that would be the consequence of Lenin's tactic. The monarchy, too, is only historically but not politically surpassed. According to Lenin, the workers would have no right to do away with it but would be obliged to find a compromise solution. The same story would be true as regards the church, also only historically but not politically antedated. Furthermore, the people belong in great masses to the church. As a revolutionist, Lenin pointed out, that one had to be where the masses are. Consistency would force him to say "Enter the Church; it is your revolutionary duty!" Finally, there is fascism. One day, too, fascism will be historically antedated but politically still in existence. What is then

to be done? To accept the fact and to make a compromise with fascism. According to Lenin's reasoning, a pact between Stalin and Hitler would only illustrate that Stalin actually is the best disciple of Lenin. And it will not at all be surprising if in the near future the bolshevist agents will hail the pact between Moscow and Berlin as the only real revolutionary tactic.

Lenin's position on the question of parliamentarianism is only an additional illustration of his incapacity to understand the essential needs and characteristics of the proletarian revolution. His revolution is entirely bourgeois; it is a struggle for the majority, for governmental positions, for a hold upon the law machine. He actually thought it of importance to gain as many votes as possible at election campaigns, to have a strong bolshevik fraction in the parliaments, to help determine form and content of legislation, to take part in political rule. He did not notice at all that today parliamentarianism is a mere bluff, an empty make-believe, and that the real power of bourgeois society rests in entirely different places; that despite all possible parliamentary defeats the bourgeoisie would still have at hand sufficient means to assert its will and interest in non-parliamentary fields. Lenin did not see the demoralizing effects parliamentarianism had upon the masses, he did not notice the poisoning of public morals through parliamentary corruption. Bribed, bought, and cowed, parliamentary politicians were fearful for their income. There was a time in prefascist Germany when the reactionists in parliament were able to pass any desired law merely by threatening to bring about the dissolution of parliament. There was nothing more terrible to the parliamentary politicians than such a threat which implied the end of their easy incomes. To avoid such an end, they would say yes to anything. And how is it today in Germany, in Russia, in Italy? The parliamentary helots are without opinions, without will, and are nothing more than willing servants of their fascist masters.

There can be no question that parliamentarianism is entirely degenerated and corrupt. But, why didn't the proletariat stop this deterioration of a political instrument which once had been used for their purposes? To end parliamentarianism by one heroic revolutionary act would have been far more useful and educational for the proletarian consciousness than the miserable theatre in which parliamentarianism has ended in the fascistic society. But such an attitude was entirely foreign to Lenin, as it is foreign today to Stalin. Lenin was not concerned with the freedom of the workers from their mental and physical slavery; he was not bothered by the false consciousness of the masses and their human self-alienation. The whole problem to him was nothing more nor less than a problem of power. Like a bourgeois, he thought in terms of gains and losses, more or less, credit and debit; and all his business-like computations deal only with external things: membership figures, number of votes, seats in the parliaments, control positions. His materialism is a bourgeois materialism, dealing with mechanisms, not with human beings. He is not really able to think in socio-historical terms. Parliament to him is parliament; an abstract concept in a vacuum, holding equal meaning in all nations, at all times. Certainly he acknowledges that parliamentarism passes

through different stages, and he points this out in his discussions, but he does not use his own knowledge in his theory and practice. In his pro-parliamentarian polemics he hides behind the early capitalist parliaments in the ascending stage of capitalism, in order not to run out of arguments. And if he attacks the old parliaments, it is from the vantage point of the young and long outmoded. In short, he decides that politics is the art of the possible. However, politics for the workers is the art of revolution.

VI.

It remains to deal with Lenin's position on the question of compromises. During the World War the German Social Democracy sold out to the bourgeoisie. Nevertheless, much against its will, it inherited the German revolution. This was made possible to a large extent by the help of Russia, which did its share in killing off the German council movement. The power which had fallen into the lap of Social Democracy was used for nothing. The Social Democracy simply renewed its old class collaboration policy, satisfied with sharing power over the workers with the bourgeoisie in the reconstruction period of capitalism. The German radical workers countered this betrayal with the slogan, "No compromise with the counter revolution." Here was a concrete case, a specific situation, demanding a clear decision. Lenin, unable to recognize the real issues at stake, made from this concrete specific question a general problem. With the air of a general and the infallibility of a cardinal, he tried to persuade the ultra-lefts that compromises with political opponents under all conditions are a revolutionary duty. If today one reads those passages in Lenin's pamphlet dealing with compromises, one is inclined to compare Lenin's remarks in 1920 with Stalin's present policy of compromises. There is not one deadly sin of bolshevik theory which did not become bolshevistic reality under Stalin.

According to Lenin, the ultra-lefts should have been willing to sign the Treaty of Versailles. However, the Communist Party, still in accordance with Lenin, made a compromise and protested against the Versailles Treaty in collaboration with the Hitlerites. The "National Bolshevism" propagandized in 1919 in Germany by the left-winger Lauffenberg was in Lenin's opinion "an absurdity crying to heaven." But Radek and the Communist Party — again in accordance with Lenin's principle — concluded a compromise with German Nationalism, and protested against the occupation of the Ruhr basin and celebrated the national hero Schlageter. The League of Nations was, in Lenin's own words, "a band of capitalist robbers and bandits," whom the workers could fight only to the bitter end. However, Stalin — in accordance with Lenin's tactics—made a compromise with these very same bandits, and the U. S. S. R. entered the League. The concept "folk" or "People" is in Lenin's opinion a criminal concession to the counter-revolutionary ideology of the petty bourgeoisie. This did not hinder the Leninists, Stalin and Dimitrov, from making a compromise with the petty bourgeoisie in order to launch the freakish "Peoples Front" movement. For Lenin, imperialism was the greatest enemy of the world proletariat, and against it all forces had to be

mobilized. But Stalin, again in true Leninistic fashion, is quite busy with cooking up an aliance with Hitler's imperialism. Is it necessary to offer more examples? Historical experience teaches that all compromises between revolution and counter-revolution can serve only the latter. They lead only to the bankruptcy of the revolutionary movement. All policy of compromise is a policy of bankruptcy. What began as a mere compromise with the German Social Democracy found its end in Hitler. What Lenin justified as a necessary compromise found its end in Stalin. In diagnosing revolutionary non-compromise as "An Infantile Disease of Communism," Lenin was suffering from the oldage disease of opportunism, of pseudo-communism.

VII.

If one looks with critical eyes at the picture of bolshevism provided by Lenin's pamphlet, the following main points may be recognized as characteristics of bolshevism:

1. Bolshevism is a nationalistic doctrine. Originally and essentially conceived to solve a national problem, it was later elevated to a theory and practice of international scope and to a general doctrine. Its nationalistic character comes to light also in its position on the struggle for national independence of suppressed nations.

2. Bolshevism is an authoritarian system. The peak of the social pyramid is the most important and determining point. Authority is realized in the all-powerful person. In the leader myth the bourgeois personality ideal celebrates its highest triumphs.

3. Organizationally, Bolshevism is highly centralistic. The central committee has responsibility for all initiative, leadership, instruction, commands. As in the bourgeois state, the leading members of the organization play the role of the bourgeoisie; the sole role of the workers is to obey orders.

4. Bolshevism represents a militant power policy. Exclusively interested in political power, it is no different from the forms of rule in the traditional bourgeois sense. Even in the organization proper there is no self-determination by the members. The army serves the party as the great example of organization.

5. Bolshevism is dictatorship. Working with brute force and terroristic measures, it directs all its functions toward the suppression of all non-bolshevik institutions and opinions. Its "dictatorship of the proletariat" is the dictatorship of a bureaucracy or a single person.

6. Bolshevism is a mechanistic method. It aspires to the automatic coordination, the technically secured conformity, and the most efficient totalitarianism as a goal of social order. The centralistically "planned" economy consciously confuses technical-organizational problems with socio-economic questions.

7. The social structure of Bolshevism is of a bourgeois nature. It does not abolish the wage system and refuses proletarian self-determination over the products of labor. It remains therewith fundamentally within the class frame of the bourgeois social order. Capitalism is perpetuated.

8. Bolshevism is a revolutionary element only in the frame of the

bourgeois revolution. Unable to realize the soviet system, it is thereby unable to transform essentially the structure of bourgeois society and its economy. It establishes not socialism but state capitalism.

9. Bolshevism is not a bridge leading eventually into the socialist society. Without the soviet system, without the total radical revolution of men and things, it cannot fulfill the most essential of all socialistic demands, which is to end the capitalist human-self-alienation. It represents the last stage of bourgeois society and not the first step towards a new society.

These nine points represent an unbridgeable opposition between bolshevism and socialism. They demonstrate with all necessary clarity the bourgeois character of the bolshevist movement and its close relationship to fascism. Nationalism, authoritarianism, centralism, l e a d e r dictatorship, power policies, terror-rule, mechanistic dynamics, inability to socialize — all these essential characteristics of fascism were and are existing in bolshevism. Fascism is merely a copy of bolshevism. For this reason the struggle against the one must begin with the struggle against the other.

BOOK REVIEWS

World Communism. A History of the Communist International. By F. Borkenau. W. W. Norton & Co. New York 1939 (442 pp.; $3.75.)

Besides being an excellent history of the Communist International (C. I.), Borkenau's book reflects the disillusionment of i n c r e a s i n g numbers of intellectuals with the Marxian expectation of a proletarian revolution. Here the author points out that Marx misread the future, and that the Russian Revolution, only apparently proletarian, can only confirm that "the idea of the proletariat opposing, victoriously, all other classes of a complex modern society is a fantastic one." It is utopian to see in the proletariat the leading element in the upheavals of our time. In Russia, "it was not the proletariat, but a quasi-religious order of professional revolutionaries of the intelligentsia which took the lead, with the help of the peasants, the peasant soldiers, and the workers. In Borkenau's opinion not communism but fascism is on the order of the day, unless a policy of class collaboration, co-operation, and compromise is adopted in favor of a progressive and evolutionary democracy.

It is true that Marx's prediction as to the polarization of society into two essential classes has not as yet run its full course. But Borkenau does not bother to criticise the basis of Marx's prediction, the theory of capitalist development, but simply accepts the apparent contradiction of present-day political phenomena with those predictions. H o w e v e r, a realistic analysis of the positions of the various classes in their relation to the possession or control of the means of production and political power will show that the process of the polarization of society into two essential classes is not only still continuing, but, by way of fascism and bolshevism, continuing in an accelerated manner. As superficial as Borkenau's critique of Marx, are the consequences he draws from his mistaking appearances for reality. To posit as the alternative to fascism a "progressive a n d evolutionary democracy" and nothing else, means, in practical matters, no more than to serve the ideological "anti-fascism" of some imperialistic nations as against the imperialism of the fascistic countries. What today is "progressive and evolutionary" in bourgeois democracy is exactly that which is an essential part of fascism.

Furthermore, it is not a political form of government which will determine the future action of men, but the further disintegration of the capitalist economic system, and that can be stopped neither democratically nor fascistically.

However, these ideas of Borkenau do not detract from the main theme of his work. The history of the C. I. he divides into three distinct periods. "During the first period the Comintern is mainly an instrument to bring about revolution. During the second period it is mainly an instrument in the Russian factional s t r u g g l e. During the third period it is mainly an instrument of Russian foreign policy." Its whole history proves to Borkenau, "the complete unfitness of international Bolshevism. The author illustrates the bourgeois character of the Russian Revolution and its party, with descriptions of the bolshevik organization and its tactics. He deals with the Hungarian "soviet" regime, the German revolution, the Chinese revolution, and the many events of the diverse labor movements of various countries. He does not distinguish between the different bolshevik factions, who differ only on unessentials, but he makes clear the wide gap dividing the Russian and the Western labor movement. In opposing Lenin's position to that of Rosa Luxemburg, he makes clear that the problems of the proletariat are others than those visualized by the Bolsheviks. The world revolution has failed because of the historical immaturity for such a change. The bolshevistic world revolutionary attempts he finds only ridiculous.

Because of the author's previous political attitude (he was a member of the Communist Party), and his present position, it is natural that. despite all his criticism of bolshevism, he should still defend it not against the right, but against the left. The Western Euopean "ultra-lefts" who even in 1920 were able to predict the course of the C. I., are even now in retrospect looked upon by Borkenau as the 'crazy fringe" of the left labor movement. This is somehow surprising, since he himself is forced to acknowledge that the views of the "ultra-lefts" concerning the difficulties facing the proletarian revolution in the West were "infinitely nearer to the facts than Lenin's belief that only a revolutionary party using appropriate tactics is needed in order to reach the goal." From the position that the working class is neither able nor willing to make its revolution, Borkenau rejects the bolshevik idea that the history of the failures of communism is a history of betrayals. The concept of "betrayals" Borkenau sees as a consequence of the Bolshevik Party structure a n d tactic, which always require a scape-goat in the event of failure, as well as for purposes of party control. Though this is undoubtedly true it is still incorrect to reject political betrayals altogether. Borkenau goes even so far as to declare that had "all the socialist leaders (of Germany) sided with the revolutionaries the majority of the proletariat would simply have left them for some moderate party." This is contrary to all the facts. The socialist leaders could maintain control over the broad masses occasionally only by proclaiming that socialism was to be realized. Too often socialist and communist leaders and organizations placed themselves at the head of a workers' movement in order to break it. Though it is true that the German fiasco cannot be explained solely by betrayal, it is incorrect to deny that the actual betrayals considerably influenced the course of events. The masses were not non-socialistic; they were without self-initiative because of their previous education; and they unfortunately left the decision to their leaders in the conviction that these leaders would best know how to improve their conditions. This belief of the masses may show inexperience but certainly not an absolutely conservative attitude.

Despite its many shortcomings, of which only a few are mentioned here, the book is nevertheless an important asset to the understanding of recent labor history. Because of its many qualities, which we must let the reader find for himself, it will better serve the purposes of the "crazy fringe" of the left labor movement than the present political attitude of its author.

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